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The Netherlands Country Report

EUFORI Study

European Foundations for
Research and Innovation

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Research and
innovation

EUROPEAN COMMISSION

Directorate-General for Research and Innovation
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The Netherlands Country Report

EUFORI Study

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1 Contextual Background

1.1 Historical background

Philanthropy, defined as private action for the public good, has a strong tradition in the Netherlands. Private initiatives have left their mark throughout the institutional landscape of the Netherlands. Illustrative of early philanthropic initiatives are the so called *hofjes*. These *hofjes*, which are homes for the elderly built around a garden, were established in the early modern period (c. 1500-1800), and some even date back to the Middle Ages. These *hofjes* still exist today and are a great example of early and current philanthropy in society (Schuyt et al. 2013). Today, the Dutch are still characterised by their willingness to contribute to public goals. It is estimated that around 85 % of the Dutch population donates money to charitable goals (Schuyt et al. 2013). In addition, within Europe, the Netherlands ranks among the top in terms of donations to nonprofit organisations (Bekkers 2012).

The Netherlands is home to the largest nonprofit sector in the world (Salomon et al. 2004). Many of these nonprofit organisations are legally known as a foundation. In the Netherlands, we have a broad understanding of what a foundation is. Most of these foundations are financed through revenue from taxation and social insurance (e.g. schools, hospitals, welfare organisations) (Burger et al. 2001; Gouwenberg et al. 2007). More in line with the international definition of a foundation are the so called *funds*. This subtype of foundation deals with transferring money from external (private) sources to public purposes (Burger et al. 2001; Gouwenberg et al. 2007). It is this subtype within the foundation sector that is the subject of this study, but we will use the word ‘foundation’, as this is used internationally.

The history of foundations in the Netherlands goes back centuries. It is generally understood that the roots of many contemporary foundations can be traced back to groundwork that was carried out by churches (Burger et al. 2001; Gouwenberg et al. 2007). Before World War II, many issues that are nowadays covered by the welfare state, such as caring for the poor, were once the domain of private initiatives, and the government only intervened if philanthropic initiatives failed to provide for the (basic) needs of society.

After World War II, the subsequent coalitions of political parties extended the field covered by public welfare provision. The aims of public policy in, for example, poverty reduction, surpassed the provisions arranged by the private initiatives. Also, as social welfare provision grew and became much more complex, this resulted in high coordination costs for different private initiatives. As a consequence, from the 1950s onwards, many private organisations received public subsidies and were in fact transformed into semi-governmental institutions (Gouwenberg et al. 2007).

At that time, private initiatives were organised by different societal and religious groups, the so-called ‘pillars’. It is important to understand that, due to the ‘pillar-structure’ of Dutch society, the government had to subsidise all foundations – from different pillars – equally. This resulted in a very large nonprofit sector; the Netherlands has the largest nonprofit sector in the world (Salomon et al. 2004).

As governmental support was given to foundations active in social welfare provision, churches and philanthropic foundations reassessed their role in society. Foundations that derived income from the proceedings of their assets started to expand their focus. Also, new (fundraising) foundations started to cover areas which were previously not accounted for by the government. For example, the largest fundraising foundations active in the field of health research were founded during this period. Foundations thus broadened their scope, and left classic social welfare provision to the government.

Nonetheless, the last 30 years has shown a renewed interest in classical areas such as social welfare, education and health. This development can be explained by drastic cuts and changes in government spending in these fields, which caused foundations to reassess their role in providing these services (Gouwenberg et al. 2007). Most recently, budget cuts in subsidies for culture and the arts were accompanied by an appeal by politicians to foundations to step in. It is, however, unknown what effect these budget cuts will have on the behavior of private donations to cultural goals (Bekkers and Mariani 2012).

Together with the withdrawal of the State, the last few decades have shown growth in the private wealth of individuals. Moreover, due to doubts concerning the recipients' benefits from huge inheritances (since there is a high tax burden on bequests), testators have chosen to set up a (family) foundation or a designated 'fund-on-name'. In these designated funds, one foundation or individual transfers the administration of their assets to a particular existing foundation with a specific use for the annual profits (Burger et al. 2001).

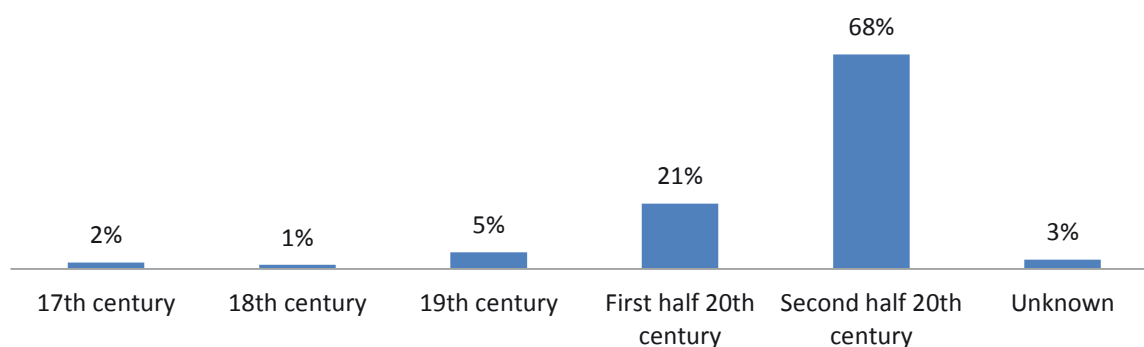
Nevertheless, although a picture of the historical developments of the foundation sector in the Netherlands can be outlined, it is much more difficult to do the same for foundations supporting research and innovation. Only fragmentary pieces of information are available. For example, we know that many universities were founded by private initiatives (Burger et al. 2001). Later on, after World War II, the scope of foundations diversified and expanded. This also resulted in an increase in institutions devoted to science, among other fields (Burger et al. 2001). However, many of these first initiatives – although still private foundations by law – were later on financed by the Dutch government. Recent budget cuts, however, have renewed the interest in foundations' support for research.

Universities can act as an example to illustrate these developments. Many of these organisations, once founded by private initiatives, nowadays largely depend on the distribution of government subsidies. It was only until recently that larger private foundations were, again, (in part) the focus of universities (and their corresponding foundations) to attract the financial means necessary to carry out research (Breeze et al. 2011).

In summary, if we look at the development of the foundation sector in the Netherlands over the last two centuries, three developments stand out. First, there has been a remarkable development in the number of philanthropic foundations. Second, the focus of these foundations has expanded and diversified enormously. A third development is that, due to the expansion and diversified focus of foundations, their original role of providing social welfare services for the poor has decreased, or at least relatively (Kingma and van Leeuwen 2007).

Figure 1: Year of establishment of the foundations still existing today in the Netherlands

As a percentage of the total number of foundations, 2007.



Source: Kingma and van Leeuwen, 2007.

Unfortunately, it is not possible to draw a conclusive graph of the development of the foundation sector in the Netherlands. However, based on the information that is available from the Association of Funds in the Netherlands (FIN, see also section 1.3), the development of foundations in the Netherlands can be depicted as follows (see Figure 1) (Kingma and van Leeuwen 2007). This histogram shows that although there are a number of foundations that have existed for centuries, almost two thirds of the foundations that exist today were founded after World War II. Please note that these figures are about foundations that still exist today, as there are also a number of foundations that have ceased to exist and that many foundations – not included in this histogram – are church-based foundations, so Figure 1 only serves to gain an idea of the development of the foundation sector in the Netherlands (Kingma and van Leeuwen 2007).

1.2 The legal and fiscal context

In the Netherlands, it is relatively easy to start a foundation (*stichting*). The formal description of a foundation in the Civil Code is ‘a legal person, created by an act of law, not having members, making use of assets which are earmarked for a (legal) aim that is described in the statutes of the organisation’ (Civil Code, Book 2, Art. 285:1). The only restriction is that the aim cannot involve distributing profits to the founders of the foundation, nor to any other individuals or organisations involved in the activities of the foundation, unless these others use the profits for idealistic or social goals (Civil Code, Book 2, Art 285:3). Foundations must be registered with the Chamber of Commerce. If a foundation is not registered, the board members of that foundation are personally liable for any act of law carried out by the foundation.

Although foundations may not have a purpose to distribute profits, it is not necessary for a foundation to have a charitable or other public benefit aim. This means that board members may receive a salary, and foundations may also undertake commercial activities (van der Ploeg 2004). Together with how easy it is to set up a foundation and the history of a ‘pillar-structured’ society (see paragraph 1.1.), this is another explanation as to why there is such a large number of foundations in the Netherlands.

Hence, among the foundations in the Netherlands, there are foundations with a private purpose and those with a public benefit aim. With regards to foundations with a public purpose, the Dutch Tax Authority recognises two important categories that are allowed to apply for fiscal facilities. The first are so-called ‘organisations with a public benefit aim’ (ANBI); the second are so-called ‘organisations with a significant

social importance' (SBBi). The ANBIs have to commit themselves for at least 90 % to public benefit goals, while SBBIs can focus on the interests of a smaller group (e.g. their members), but it must also serve a public goal.

Until recently there was very limited supervision of the activities of these organisations (Gouwenberg et al. 2007). However, from 1 January 2014, the Dutch Tax Authority has demanded that, in order to maintain their fiscal benefits, ANBIs publish information about their mission, income, expenses, salaries and a recent policy document on the Internet. It is not yet known what the effects of this new requirement will be, but it will definitely allow more insight into these organisations.

Both categories of foundation may be eligible for fiscal facilities. These facilities include exclusion from corporation tax (Law on Corporation Tax, 1969) and inheritance tax (Law on Inheritance Tax, 1959). For ANBIs, extensive facilities are applicable, as deductions for donors in revenue tax of up to 52 % (and even up to 78 % for cultural organisations (Law on Revenue Tax, 2001) and corporation tax (up to 50 % percent of the total profits, but no more than EUR 100 000) (Law on Corporation Tax, 1969) may be used by individuals or companies giving money to these foundations. These deductions are not applicable for SBBIs.

In the Netherlands, foundations may undertake commercial activities. With the introduction of the Law on Giving (2012), the Dutch government put forward a measure to stimulate entrepreneurship by ANBIs. According to this Law, ANBIs may undertake commercial activities without losing their ANBI status, as long as these commercial activities are aimed at financing the foundation's public benefit goals (Explanatory Memorandum on the Law on Giving, 2012).

According to this Law, most foundations aiming to stimulate research may qualify as an ANBI. Research departments from commercial enterprises, however, are explicitly excluded. Although the products developed by these departments (which may also have the legal form of a foundation) may serve a public good, their primary goal is to be developed as an asset that will contribute to the profitability of a company. Still, universities developing these products as commissioned research funded by external parties may qualify as an ANBI, as long as these activities are embedded in the regular scientific activities of the corresponding university (Explanatory Memorandum on the Law on Giving, 2012).

1.3 The foundation landscape

Information about foundations, their assets and expenditure in the Netherlands is scarce. However, although incomplete and far from representative, some research has been done on foundations supporting the public good. Based on this information, it is possible to give a picture of the foundation sector in the Netherlands.

Generally, foundations in the Netherlands are classified according to their main source of income. Most foundations receive their income from external sources or derive their own income from an endowment. Based on the main source of income, a distinction is made between fundraising foundations, endowed foundations, hybrid foundations and foundations with other fixed sources of income (Gouwenberg et al.

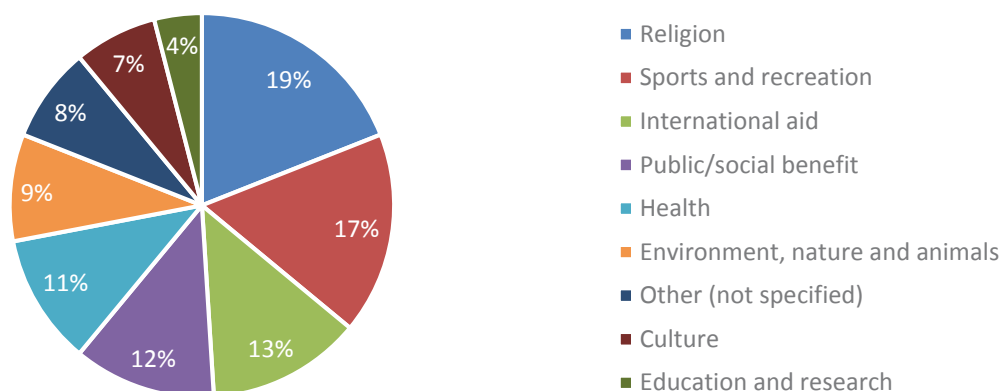
2007). The first type of foundation raises money from different sources on a structural basis, be it from the general public, the government and/or charity lotteries. Other types of foundation have a more structural source of income, such as the proceeds from assets given by a donor (endowed foundations), or structural income from periodic grants from the government or charity lotteries (foundations with other fixed sources of income). The first may also decide to hand over the proceedings of the foundation to another foundation. These types of foundation are known as designated funds (Burger et al. 2001).

Endowed foundations are also characterised by a considerable variety. However, a general distinction can be made. On the one hand, there are older (small) family foundations which have very specific aims. On the other hand, there are larger foundations that were founded recently, which have broader aims, and are a result of privatisation or the accumulation of wealth by families during recent decades. A final type of foundation that is distinguished by its revenue structure are foundations with a more diverse income structure. These foundations are known as hybrid foundations.

The overall 'Giving in the Netherlands' ^[1] Figure (Figure 2) shows that research and innovation do not play an important role. If we zoom in on the source of funding of the 4 % (150 million euros) of the total giving that goes to education and research, the largest share originates from the gifts and sponsorship from private companies (EUR 94 million), followed by households to fundraising foundations (EUR 31 million). Endowed foundations end the list with estimated donations of EUR 25 million to education and research ^[2] (Schuyt et al. 2013).

Figure 2: Types of recipient organisations

As a percentage of the number of total donations in the Netherlands, 2011



Source: Giving in the Netherlands, 2013.

1 The Giving in the Netherlands Panel Study (GINPS) is a macro-economic report presenting the contributions of households, companies, foundations and good-cause lotteries to public benefit goals every two years.

2 Total giving by households and companies are generalised amounts for the total populations. Regarding endowed foundations, there is little information available in the Netherlands. Due to the lack of information, therefore, an estimate has been made for the 2011 figures. This estimation is based on the grants made by a sample of 129 endowed foundations. However, these foundations constitute only a small proportion of the total number of charitable endowed foundations in the Netherlands, since many foundations operate anonymously (Giving in the Netherlands, 2013).

From subsequent surveys on the ‘Giving in the Netherlands Study’, we see that most grants from endowed foundations were given to (national) societal goals, and culture and the arts (Schuyt et al. 2013). Fundraising foundations had a different focus, as they largely focus on international aid and health. In the Netherlands, international aid foundations receive a large share of the Dutch Official Development Aid (ODA) to finance their projects abroad. However, it must be noted that even without government subsidies, international aid is the main focus of Dutch fundraising foundations. Research and innovation only play a minor role as a focus of support by foundations.

However, some comments should be made here. Due to classification into categories in which no distinction is made for innovation, it is impossible to assess how innovation is funded through foundations. Also, there is no clear definition of ‘research’, as this category is described as ‘giving to schools, universities and scientific organisations’. Hence, education is also part of this category. Another difficulty is that giving to health-related research is included in the category of ‘health’. Nevertheless, although there is a clear underestimation of foundations’ support for research and innovation, it can be concluded that research only receives a small portion of the private contributions to charitable causes.

Regarding the number foundations in general, there is little information available in the Netherlands, let alone specific information about the number of foundations supporting research and innovation. Based on data from the Tax Authorities of the Netherlands, the number of private ‘Public Benefit Organisations’ (ANBI), is estimated at 50 000 (Ruimte voor Geven 2011). However, this number includes many small fundraising foundations. Also, a lot of churches are included in this number, as well as a large number of nonprofit organisations such as schools, museums, hospitals etc. (Schuyt et al. 2013).

Most larger fundraising foundations are registered at the Central Bureau on Fundraising in the Netherlands (CBF). An important condition for registration is that the costs for a charity’s fundraising expressed as a percentage of the revenue from its own fundraising in any one year may not amount to more than 25 % of the revenue from its own fundraising.^[3] Registration is, however, not a prerequisite for being recognised by the Tax Authorities as an ANBI. Out of all the fundraising foundations, 266 have been accredited with the ‘CBF-seal’, and an extra 109 have received the ‘CBF-seal for small fundraising foundations’^[4] (CBF, 2014).

Another source of information is the Knowledge Base Philanthropy (Kennisbank Filantropie). This organisation aims to collect information about all the ANBI organisations in the Netherlands. However, as this organisation only recently started to collect information on foundations in the Netherlands, it is difficult to assess the representativeness of the information collected by this organisation. Currently, around 30 000 organizations have registered at the Knowledge Base (Kennisbank Filantropie, 2014).

3 All criteria for approval by the Central Bureau on Fundraising can be found at http://www.cbf.nl//Uploaded_files/Zelf/CriteriaCBFSealforlargecharities.pdf

4 With revenue below EUR 0.5 million.

However, from these sources of information, we cannot calculate the assets, nor is it possible to assess the amount spent on research (and innovation). Nevertheless, according to the Rathenau Institute, a research centre financed by the Dutch Ministry for Education, Culture and Science, private nonprofit organisations contributed EUR 405 million to research and development in 2011 (Rathenau Institute, 2014). This amount was based on the data collected by the Dutch Central Bureau of Statistics (CBS, 2012).

The philanthropy sector in the Netherlands is organised by different umbrella or branch organisations. Most (larger) fundraising foundations are represented by the Association of Fundraising Organisations (VFI), representing around 75 % of the total amount raised by fundraising organisations (excluding churches) (VFI, 2013). Endowed foundations are represented by the Association of Funds in the Netherlands (FIN). Around 320 endowed foundations have joined this Association. Several of these funds are also a member of the European Foundation Centre.

However, registration is not a prerequisite in order to work as an endowed foundation. In fact, it is estimated that only a fraction of the total population of (endowed) foundations is a member of the Association of Funds in the Netherlands. As many foundations prefer to operate anonymously, these foundations choose not to register with any association (Giving in the Netherlands, 2013). Finally, these branch organisations are, together with other branch organisations active in the Dutch philanthropy sector, represented in the 'Collaborative Branch Organisations of the Philanthropic Sector' (SBF), which aims to represent the Dutch philanthropy sector.

The SBF also represents the philanthropy sector in negotiations with the Dutch government. In 2011, the Dutch government and the SBF signed a covenant. Through collaboration the Dutch government and SBF aim to improve the exchange of knowledge and information, to improve the connection between in policy funding, to develop innovative ways of financing societal initiatives, to strengthen the infrastructure of the philanthropy sector, to improve the transparency of the philanthropy sector, and to strengthen the general public's trust in philanthropic organisations (Ruimte voor Geven, 2011). However, this agreement does not contain specific agreements on research and innovation-related issues.

A number of Dutch health foundations (20) collaborate together on issues that are beyond the scope of their own organisation. Regarding research, the 'Collaborative Health Foundations' (Samenwerkende Gezondheidsfondsen) aim to play a decisive role within the Dutch research and innovation policy vis-à-vis the domain of health, and to represent patients in research (SGF, 2014).

Although the abovementioned agreement does not contain specific agreements on research and innovation-related issues, the Collaborative Health Foundations (SGF) do participate in a collaboration infrastructure with (institutions financed by) the Dutch government. Besides lobbying for better healthcare in the Netherlands, they have co-financed several research programs. Also, the collective of health foundations has worked together with the Dutch Ministry of Economic Affairs, the 'Top Institutes for technology', and the coordinating group for Life Sciences and Health in setting up a public-private partnership (see also Section 1.4). One of the results of this collaboration is that the financial contribution of the health foundations has tripled thanks to the other partners (government and private enterprises). The SGF aim to continue and to expand their collaboration with these actors in the years to come.

1.4 Research and innovation funding in the Netherlands

In the Netherlands, research and development activities may benefit from a broad range of funding sources, both public and private. The Rathenau Institute, an organisation financed by the Dutch Ministry for Education, Culture and Science, regularly publishes on R&D funding in the Netherlands. From them, we know that most important resources come from private companies, investing EUR 6.060 million in research and development, and accounting for almost half of the available amount for research and development in the Netherlands in 2011 (49.9 %). The other main sources for research and development funding come from the Dutch government, accounting for EUR 4.315 million, and funding from abroad, accounting for EUR 1.323 million. Research and development funding from other sources such as higher education and private nonprofit organisations only account for a relatively small portion of the total R&D funding in the Netherlands. In 2011, EUR 443 million (3.6 %) originated from these sources (Rathenau Institute, 2014).

Table 1: Gross expenditure on R&D (GERD) in the Netherlands, 2011.

	Amount in millions of Euros	Percentage	Percentage of GDP
Government	4 315	35.6	0.72
Private enterprises	6 060	49.9	1.01
Higher education and nonprofits	443	3.6	0.07
Abroad	1 323	10.9	0.22
Total	12 141	100	2.02

Source: Rathenau Insitute, 2014

In terms of gross expenditure on research and development (GERD) compared to the gross domestic product (GDP) of the Netherlands, GERD accounted for 2.16 % of the GDP in 2012, which is slightly more than in 2011 (CBS, 2012; Eurostat, 2014). Although the relative share of GERD to GDP has risen in recent years to the highest level since Eurostat figures have been available, the Dutch GERD has always been around (or just below) 2 % of the GDP.

However, some comments should be made. Although private companies account for the largest share of R&I funding in the Netherlands, Dutch enterprises spend less on research and innovation than the EU average. In terms of total investment by private companies related to the GDP (BERD), Dutch enterprises account for 1.07 %, as compared to 1.26 % of the EU average (2012). Also, although R&I spending by private companies is characterised by a high concentration of R&I investments by a small number of multinational companies, Dutch SMEs are below the EU average in terms of investing in R&I (European Commission, 2013).

Moreover, although public spending on research and innovation was relatively high compared to the EU average in 2011, recent developments are a point of concern. In recent years, public spending has decreased and lower levels of direct government funding for research and innovation are expected in the near future. However, this might reflect a shift from direct to indirect funding of R&D, with more weight

given to tax incentives for enterprises investing in R&D (European Commission, 2013). The Netherlands has set a target of 2.5 % in terms of GERD. Considering the recent developments in public funding and the lagging behind of R&D funding by business enterprises, this objective might prove difficult to attain.

Nevertheless, it can be stated that research and innovation is of high quality, and the Dutch have maintained their innovative capacity during several years of financial crisis (European Commission, 2013). Research and development policy in the Netherlands aims to build on sectors that are characterised by a strong market and export position, which can count on an excellent knowledge base and which can bring collaborative structures for public-private partnerships. 'To the top', as the national policy is known, was initiated in 2011 and focuses on chemistry, creative industries, energy, high-tech systems and materials, horticulture and propagating stock, life science and health, logistics, agriculture and food, and water (Ministry of Economic Affairs, Agriculture and Innovation, 2011). The Dutch government aims to involve venture capital from private organisations and to create revolving funds, in order to create and facilitate fast-growing, new science-based companies spinning off from business, universities and research laboratories (Ministry of EA&I, 2011; European Commission, 2013).

In comparison with other European countries, the Netherlands is performing above the EU average in terms of innovation. The Netherlands is classified as an 'Innovation follower', and ranks 6th on the 'Innovation performance' scorecard of the European Commission 2014 (European Commission, 2014), which is down one place from the scorecard of 2013. Performance was improving steadily until 2011, increased strongly in 2012 (among others due to a much higher share of product and/or process innovators) and then declined in 2013 (among other reasons this was due to reduced license and patent revenues from abroad). The performance relative to the EU has been more volatile, reaching a peak of 118 % in 2012 before falling to 114 % in 2013.

Although there are some indications that the Netherlands should be worried about its innovative capacities, the Dutch R&I infrastructure leads to a number of areas in which Dutch researchers are highly specialised. In terms of specialisation, the Netherlands has the highest research intensity in healthcare worldwide. There is also specialisation in the fields of audiovisual technology, basic communications processes, semiconductors, optics, macromolecular and food chemistry, and food products. The strength of the Dutch R&I sector is also reflected in the output of scientific publications, which is more than four times the EU average. The Netherlands stands out in terms of its scientific production and technological production for food, agriculture and fisheries, energy, ICT, nanotechnology, security, and health (European Commission, 2013). Indeed, many of these scientific fields overlap with the fields that are mentioned in the national policy.

However, the foundations studied in this report are not explicitly mentioned in this policy document or any other source of information. This means we can only use fragments of information about the contribution of foundations in the field of research and innovation. According to the Rathenau Institute, private nonprofit organisations and higher education institutes contribute EUR 443 million to research and development, which would be around 0.07 % of the GDP (see Table 1). Specific (endowed or fundraising) foundations' support for research and innovation is small (see also paragraph 1.3).

In fact, the Rathenau Institute only mentions foundations as ‘collecting box’ foundations, with a focus on healthcare. However, although it is true that the fundraising foundations that focus on health-related research play a significant role in the research arena, we know that at least a number of endowed foundations also play a role in certain research fields. For example, we know that the GAK Institute is currently spending more than EUR 26 million on research related to social security (GAK Institute, 2013). Furthermore, from the Giving in the Netherlands Study, we can see that there are several organisations focusing on research apart from the health foundations (Schuyt et al. 2013).

Stimulating private donations to research by the Dutch government

In 2005 the Dutch Government launched a special Taskforce ‘Giving for Research’ (Taskforce Geven voor Weten) to encourage private donations to universities and research institutes. The Taskforce successfully put this ‘issue’ on the agenda. Its work resulted among others in meetings with university boards, two national conferences and collaborative meetings for officials and foundations supporting research.

The Taskforce made recommendations for academia to set up university foundations, to create fundraising departments, to develop alumni networks and to reward scholars who are successful in attracting commissioned research.

In 2011 the Dutch Ministry of Education, Culture and Science published a booklet ‘Giving to Scientific research. The tax benefits of your donations’. This booklet provides insight into the tax options on gifts and legacies to scientific research.

In a recent publication “Vision Science 2025” (2014) the Dutch government emphasized the (potential) contribution of private (philanthropic) money for research and innovation. As a follow-up on the publication, they will organize meetings with the aim to bring private funds, researchers and research institutes together, thereby fostering research-centered collaboration.

2 Data Collection

2.1 Identification of foundations supporting R&I

As mentioned in the previous chapter, information on foundations in the Netherlands is scattered and incomplete. Although Public Benefit Organisations (ANBIs) have an obligation to register with the Tax Authorities, foundations cannot be distinguished as a separate category, which makes it impossible to assess the exact number of foundations in the Netherlands, or to identify what purposes they support. Without a register, information has to be gathered from other sources to compile a list of Dutch foundations supporting research and/or innovation.

The starting point for identification was to contact umbrella and branch organisations for foundations. It should be noted that in the Netherlands a distinction is made between fundraising foundations and foundations with an endowment, and that these types of foundations are organised in different ways.

The 'Association of Funds in the Netherlands (FIN)' is an umbrella organisation for foundations with an endowment. Membership of this branch organisation is not obligatory, and it is therefore estimated that only a fraction of all endowed foundations are members of the FIN (Giving in the Netherlands, 2013). The FIN issues an annual directory (Fondsenboek) of about 700 private charitable foundations in the Netherlands which includes both members and non-members of the umbrella organisation. The directory was searched for by using the keywords 'research', 'innovation' and 'science' to make a first selection of endowed foundations that would meet the EUFORI criteria. Foundations that came up in our search were added to the list to be verified at a later date.

The Association of Fundraising Foundations (VFI) is an umbrella organisation for larger fundraising foundations. The VFI has about 120 members which are listed on their website. The VFI members are responsible for about 75 % of the total funds raised by fundraising foundations in the Netherlands (VFI, 2014). The VFI members list was searched for foundations that would potentially contribute to research and/or innovation. These foundations were added to the list. The Internet was searched in order to find additional Dutch foundations contributing to research and innovation.

Another important organisation we should mention is the 'SGF – Samenwerkende Gezondheidsfondsen' (Collaborating Health foundations), which is a cooperative organisation uniting 20 of the most important Dutch foundations, each with a specific health focus. Although most of these foundations are fundraising foundations and had therefore already been identified through the VFI, the members list of the SGF had some valuable additions to our list in terms of potential R&I foundations.

With the knowledge that only a portion of the foundations are represented in umbrella organisations, the snowball method was used to find and identify foundations supporting R&I. The foundations that were

already identified through the Fondsenboek, VFI or Internet search were contacted by telephone or email to verify the correct contact person to send the questionnaire to, and to inquire about any other foundations that could participate in the study. The snowball method was only partially successful in finding additional foundations. It became apparent that finding potential fundraising foundations was much easier than finding endowed foundations, as the latter more often than not wanted to retain their anonymity. However, it is very possible that the largest and most important endowed foundations are included in this study.

The Dutch Ministry of Education, Culture and Science was also consulted on the composition of the list. Since 2005, the Dutch government has encouraged private donations to research (see the box above), and was therefore invited to use their knowledge and experience to provide any additional information on Dutch foundations supporting research and/or innovation.

Finally, a list of 100 foundations with a presumed interest in research and/or innovation was compiled.

2.2 The survey

In May 2013, all 100 foundations received an invitation to the online survey. The data collection process was carefully monitored, and several actions were taken to increase the response rate. Special care was taken to ensure that the larger Dutch foundations completed the survey. Knowing that a small portion of foundations were responsible for the lion's share of the foundations' contributions, it was important that these foundations in particular were included in the survey. The online questionnaire was left open for three months. In the end, 53 Dutch foundations filled in the questionnaire. 48 foundations indicated their support for research and/or innovation. The results in Chapter 3 are based on the answers from these 48 foundations.

2.3 The interviews

In total, representatives from seven Dutch foundations were interviewed for the EUFORI study. The selection of the interviewees was guided by the existing information on the major types of R&I foundations. In order to conduct an interview with a representative from all the most important kinds of foundations, we selected at least two potential interviewees within every major type. If none of them were willing to cooperate with us, they were replaced by another foundation belonging to the same category.

The Dutch foundation sector can be divided into different categories. An important division would be one made between the main sources of income. Fundraising and endowed foundations are two important categories here. Gouwenberg et al. (2007) added two other categories, namely foundations with other fixed sources of income, and so-called hybrid foundations. Foundations with fixed sources of income receive an ongoing stream of revenue from, for example, the government or charity lotteries. Hybrid foundations have a combination of revenue sources, and are characterised by multiple goals and objectives. The former seems to be absent from the group of R&I foundations, and the latter can be found in a number of R&I foundations in this study and exist in various forms.

Therefore, the list of selected foundations is as follows:

Category 1: Fundraising foundations.

These foundations are characterised by their main source of incomes, which they mainly derive from fundraising. In general, these foundations were founded in the 20th century and raise money to fund research for health-related goals. They can be characterised as grantmaking, but some foundations in this category also have an operating role. Although the largest foundation in the sample is also a fundraising foundation (Dutch Cancer Society), most foundations in this category are medium sized.

Foundations that have been included are the Lung Foundation and the Dutch Cancer Society.

Category 2a: Endowed foundations with a specific goal

Two subcategories can be distinguished between foundations that acquire their main revenue from an original endowment. Endowed foundations with a specific goal are grantmaking organisations. As their original endowment is relatively small, they also give relatively small grants. The founders are private individuals or companies that set up a foundation to pursue a very specific goal. This type of foundation was also founded in the 20th century. Some of these foundations are administered by other foundations.

The foundation that has been included is the Uyttenboogaart-Eliassen Foundation.

Category 2b: Endowed foundations with multiple goals

This type of foundation is also a grantmaking type of foundation. However, they differ in size, age and the number of goals they pursue. First, these foundations have a much larger original endowment which enables them to make much larger grants. Although research is an (important) part of their grantmaking policy, most foundations also give grants to other goals. Institutions or (living) individuals are the founders of these foundations and are a relatively new phenomenon.

The Adessium Foundation and the GAK Institute have been included as examples of this category.

Category 3: Hybrid foundations

This type of foundation can be described as hybrid, as they both raise funds but have also other sources of revenue. These foundations can be found in Dutch universities, who manage multiple endowments and raise money for specific projects. Besides the Dutch university foundations, there are also other foundations that fit this description.

The foundation representatives we interviewed came from the Utrecht University Foundation and the Amsterdam University Foundation.

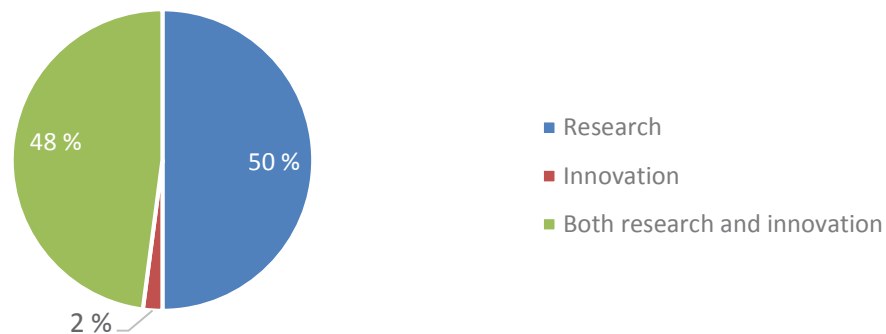
3 Results

In this chapter the results based on the quantitative analysis of the survey are discussed. 48 Dutch foundations supporting research and innovation participated in the EUFORI study and filled in the questionnaire.

3.1 Types of foundation

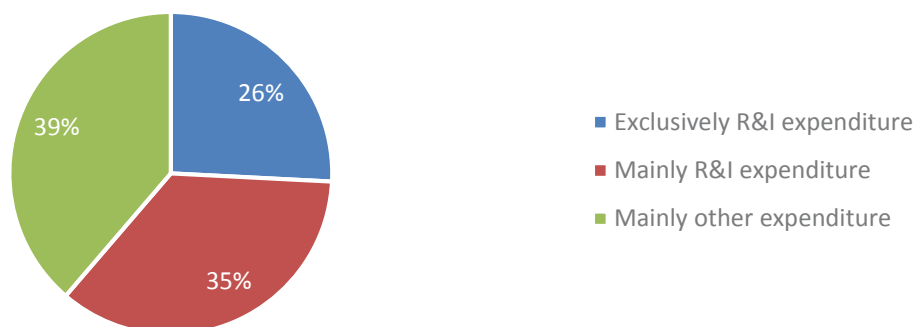
Nearly all the foundations (47) identified in the Netherlands indicate that they support research. Only one foundation claimed to focus exclusively on innovation (Figure 3). The other 47 foundations either support research (50 % of the total), or support both research and innovation (48 % of the total).

Figure 3: Types of foundation; research and/or innovation
As a percentage of the total number of foundations (N=48)



It is important to note is that this figure depicts whether foundations support research and/or innovation, and is therefore not a good measure of the extent to which they support R&I. Instead, Figure 4 shows how exclusive the focus on R&I by Dutch foundations is. Eight foundations claimed to have an exclusive (100 % focus) on R&I. Eleven foundations mainly focus on R&I, whereas the other 11 foundations indicated that less than 50 % of their expenditure goes on R&I.

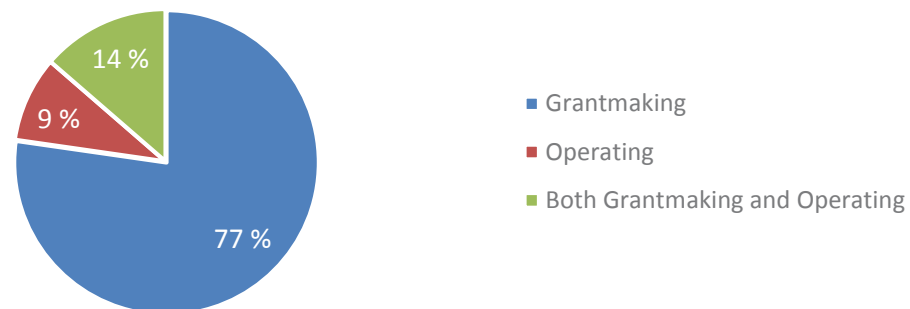
Figure 4: Types of foundations according to purpose
As a percentage of the total number of foundations (N=31)



In the interviews with Dutch foundations it became clear that R&I is an area that is supported by many foundations, but that is not very often regarded as their main activity. In fact, hardly any of the interviewed foundations (7 in total) regarded themselves as a 'research' foundation. Even when a large share of their expenditure is intended for research or research-related activities, they categorise themselves into different thematic areas.

In Sections 3.3. (expenditure) and 3.4. (focus of support) we will take a closer look at the division of expenditure between research and innovation.

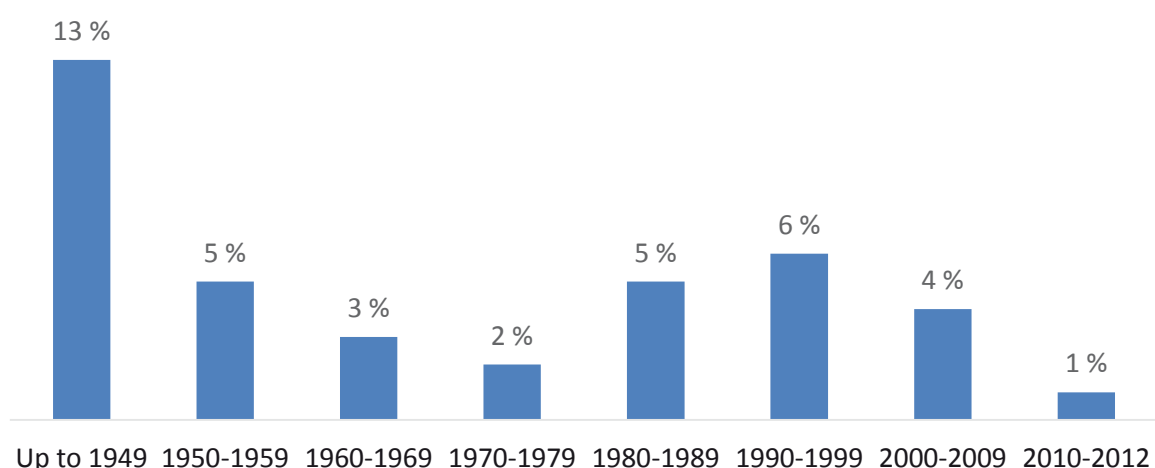
Figure 5: Types of foundations; grantmaking versus operating
As a percentage of the total number of foundations (N=44)



The majority of Dutch foundations fall into the grantmaking category (figure 5). Just four foundations are of the operating type. As was made clear in the context paragraph, the divide between grantmaking and operating foundations is not particularly prominent for Dutch foundations. The reason lies in the broad definition of 'foundation' used in the Netherlands. The definition of a foundation used in the EUFORI study corresponds better with the Dutch term 'fondsen' (funds), which are foundations that focus on transferring private money for public purposes (Gouwenberg and Schuyt 2007: 240). Therefore, in the identification of Dutch foundations for the EUFORI study, only funds were included, which might explain the high number of grantmaking foundations in Figure 5.

When looking at the years of establishment of foundations supporting R&I, one might expect that foundations supporting research and innovation are a modern phenomenon. Nonetheless, in the Dutch landscape we should note that a third of the foundations were established before 1950.

Figure 6: Types of foundations according to year of establishment
Number of foundations by decade (N=39)



Among the oldest foundations in the Netherlands supporting R&I are university foundations. Some of these foundations were established towards the end of the 19th century. University foundations could therefore be considered as a precursor to R&I foundations, even though their focus was much wider and usually extended beyond research purposes. The Utrecht University Foundation, for example, was established in 1886 by alumni to benefit the university in general. University foundations are a distinctive type of foundation in the R&I landscape, yet their role has been relatively modest in terms of their contribution to research, as their focus has been more towards education (scholarships and supporting student activities).

Moreover, it should also be taken into consideration that although many foundations were established earlier in the 20th century, research may not always have been their primary aim. The Prince Bernhard Foundation for Culture (Prins Bernhard Cultuurfonds), for example, was established in 1940 to raise funds for ordnance. After World War II, its focus shifted to the cultural sector. Furthermore, it broadened its support, and now also supports research.

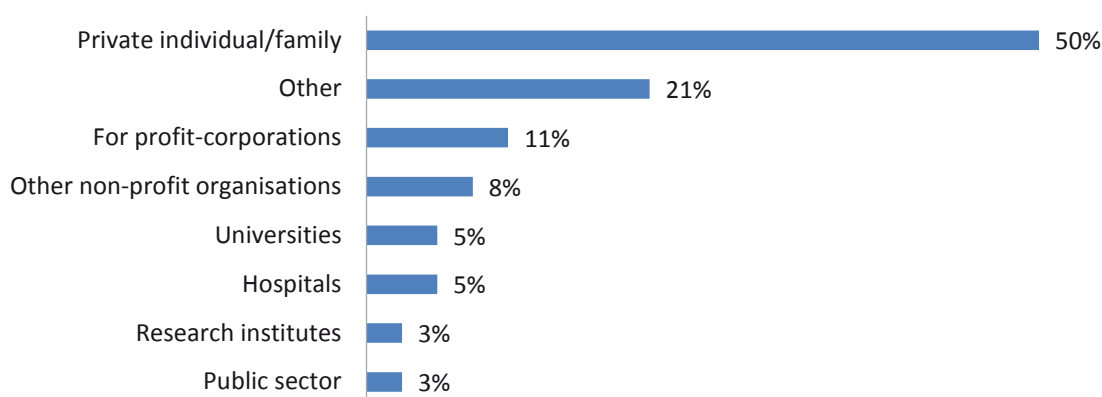
3.2 Origins of funds

3.2.1 Financial founders

Half of the Dutch foundations report that they were founded by a private individual/family (see Figure 8). The 'other' category, remarkably, is also mentioned quite often, with 21 % of foundations indicating that the financial founder differed from the answer options. In this category answers such as 'a group of professors' and 'a group of patients', are mentioned by foundations. Figure 8 therefore also reflects the relatively low threshold in the Netherlands to start a foundation. It is very common that foundations are started by individuals or groups of individuals, and over the years develop into professional organisations. Interestingly, when asked who is in charge of defining the annual strategy of their foundation, it was not once reported that the original financial founder is in charge. Instead, the majority of Dutch foundations (73 %) reported a governing board with appointed members in charge. Around 16 % indicated that a governing board with elected members is in charge. The remaining 11 % mentioned the 'other' category as being in charge. In this 'other' category we find answers such as a supervisory board.

Figure 8: Financial founders

As a percentage of the total number of foundations, multiple answers possible
(N=38)



3.2.2 Income

The total income for the Dutch foundations adds up to EUR 412 621 907. The majority (77 %) of the Dutch foundations indicated that their income lies within the EUR 0-10 million range (see Figure 9). The distribution is, however, highly skewed with 20 % of the foundations accounting for 84 % of the total income of Dutch foundations. This imbalance also becomes apparent when looking at the mean and median income of the foundations. The mean income of Dutch foundations is EUR 10.86 million, whereas the median income is EUR 2.64 million.

Figure 9: Total income according to category in Euros, 2012

As a percentage of the total number of foundations (N=36)

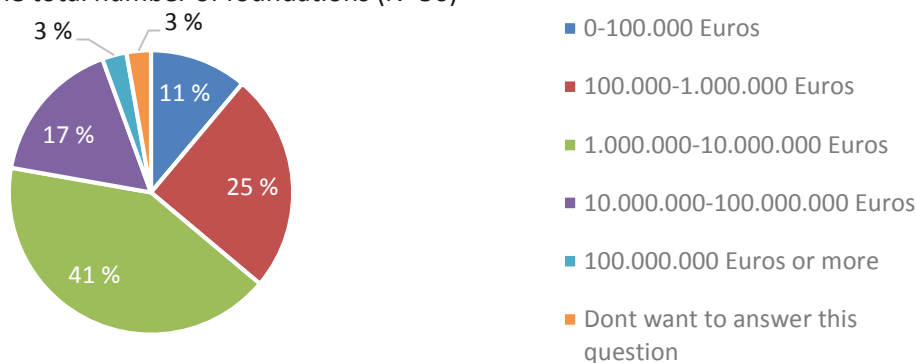


Table 2: Statistics Income

Number of foundations	38
Mean in Euros	10.858.471
Median in Euros	2.640.898
Total income in Euros	412.621.907

When we look at the sources of income (see Figure 10), we find that the vast majority (83 %) of foundations claimed to receive income from an endowment. Income from donations from individuals are also very popular, with 71 % of the respondents reporting this category. As previously mentioned, the distinction between fundraising foundations and endowed foundations is a typical categorisation for Dutch foundations. Although there are more typical fundraising foundations in this dataset, this prevalence is not really visible in Figure 10, as foundations had the option of choosing multiple sources of income, and most fundraising foundations also receive a small income from an endowment. On average, Dutch foundations receive income from 2.7 income sources. There are only seven foundations that have no endowment or receive no income from one. On the other hand, there are eight foundations that receive income solely from an endowment. The remaining foundations therefore also receive income from other sources. This may indicate that the distinction between ‘fundraising’ and ‘endowed’ foundations is becoming blurred.

The dominance of fundraising foundations becomes more visible when the distribution of income sources is analysed (see Figure 11). Here, income from donations from individuals accounts for 64 % of their total income, whereas income from an endowment accounts for 17 % of their total income. The main reason for this disparity is that some of the larger foundations in the dataset are predominantly fundraising foundations, and therefore have a major influence on the distribution of income. In fact, the two largest fundraising foundations in terms of income are together responsible for 47 % of the total income of the Dutch foundations in the EUFORI study.

A relatively high amount was reported as being in the 'other' category. 18 % of the total known income comes from sources other than the ones mentioned in the questionnaire. A few foundations provided insight into why this is the case. In the Netherlands, a number of lotteries are obliged to donate at least 50 % of their returns to public benefit causes. Many fundraising foundations therefore receive a substantial amount of money from lotteries, which is a possible explanation for the large 'other' category. Another notable observation is that categories 'income from government' and 'income from other nonprofit organisations' are hardly present in terms of their amounts, with the share of income from the government being non-existent.

Figure 10: Sources of income

As a percentage of the total number of foundations , multiple answers possible
(N=41)

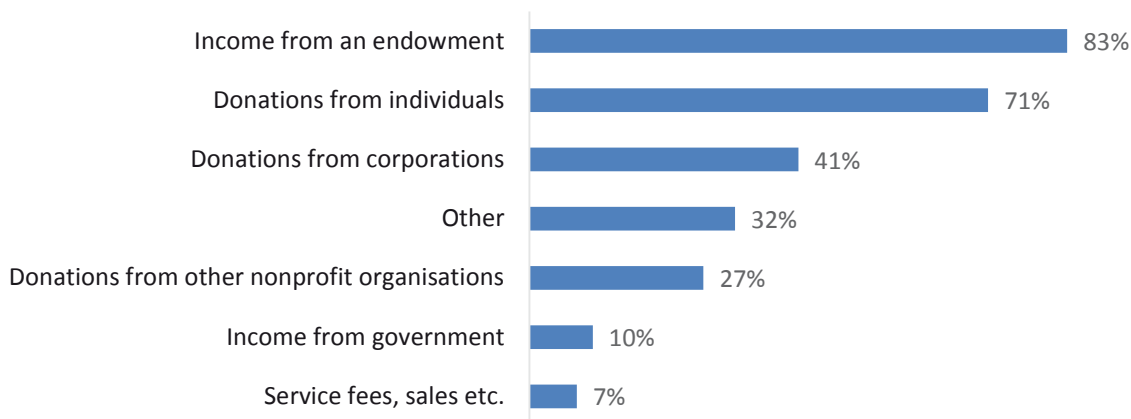
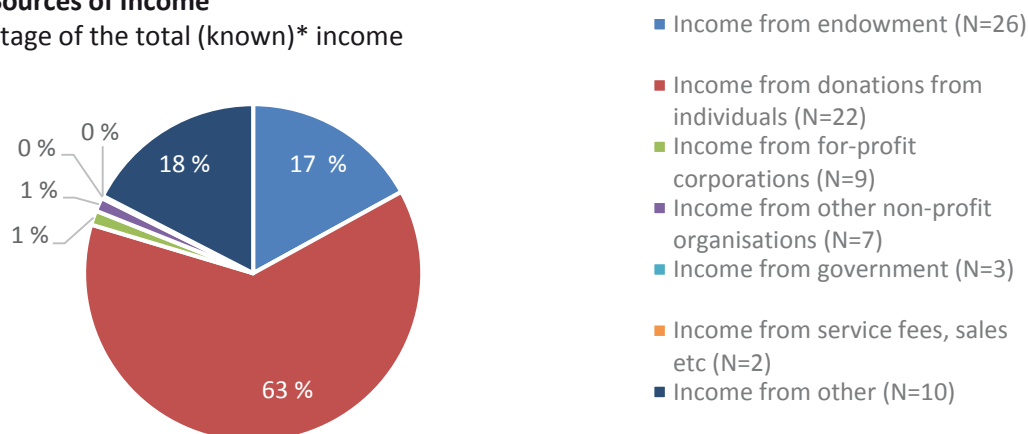


Figure 11: Sources of Income

As a percentage of the total (known)* income

**Table 3: Sources of Income**

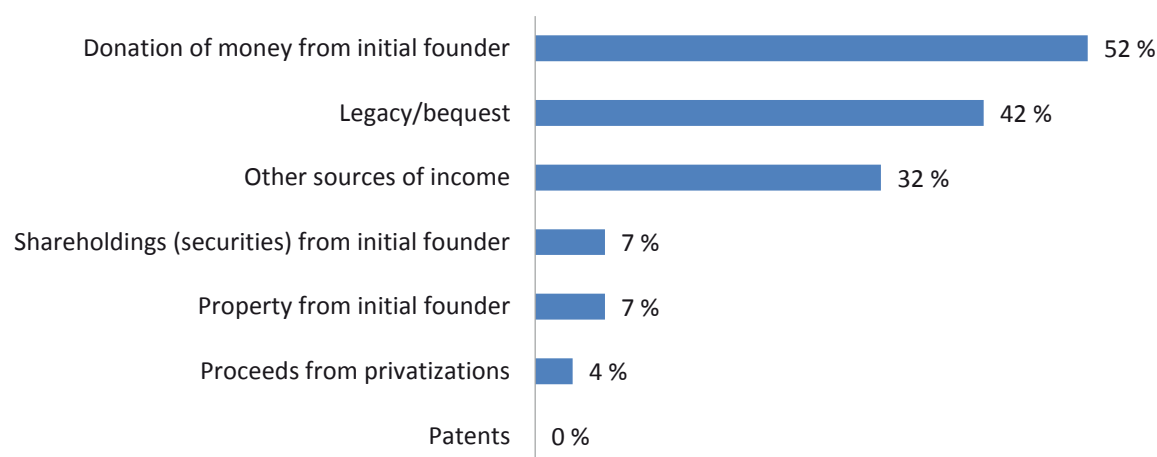
Source of income	Amount in Euros
Income from endowment (N=26)	53 125 373
Income from donations from individuals (N=22)	195 675 325
Income from for-profit corporations (N=9)	4 298 762
Income from other nonprofit organisations (N=7)	4 103 263
Income from the government (N=3)	699 790
Income from service fees, sales etc. (N=2)	33 282
Income from other (N=10)	54 462 118
Unknown	100 223 994
Total income	412 621 907

With 4 out of 5 Dutch foundations reporting to have an income from an endowment, we can take a closer look at the origins of endowments. In Figure 10 we can see that ‘donation of money from the initial founder’ is the most reported category (52 %) followed by legacy/bequest (42 %). The financial goal of the endowment is for 71 % of the foundations to maintain their endowment. 39 % of the foundations indicated that their endowment could increase. 19 % reported that their endowment could be spent down.

From the sources of income graphs (see Figures 10 and 11) it is apparent that the government plays a marginal role in the income of Dutch foundations. Very few foundations (4) claimed to receive an income from the government. When asked about the influence of the government on decision-making about the allocation of funds, only one foundation reported that the government was quite influential. The other 3 foundations reported that government is not or hardly influential on decision-making, even though at least 2 foundations have government representatives on their governing or supervisory board.

Figure 12: Origin of endowment

As a percentage of the total number of foundations, multiple answers possible
(N=31)



3.2.3 Assets

The total assets for the Dutch foundations add up to EUR 1 653 963 139. The majority of the total assets (66 %) lies within the EUR 0-10 million range. As expected, the distribution of the total assets is fairly skewed. The mean amount of assets is EUR 55.1 million, whereas the median amount is EUR 4.1 million. The top 3 foundations in terms of assets account for 85 % of the total assets for Dutch foundations. If these 'outliers' were left out of the analysis the mean value would be EUR 9.8 million.

Figure 13: Total assets by categories in Euros, 2012

As a percentage of total number of foundations (N=29)

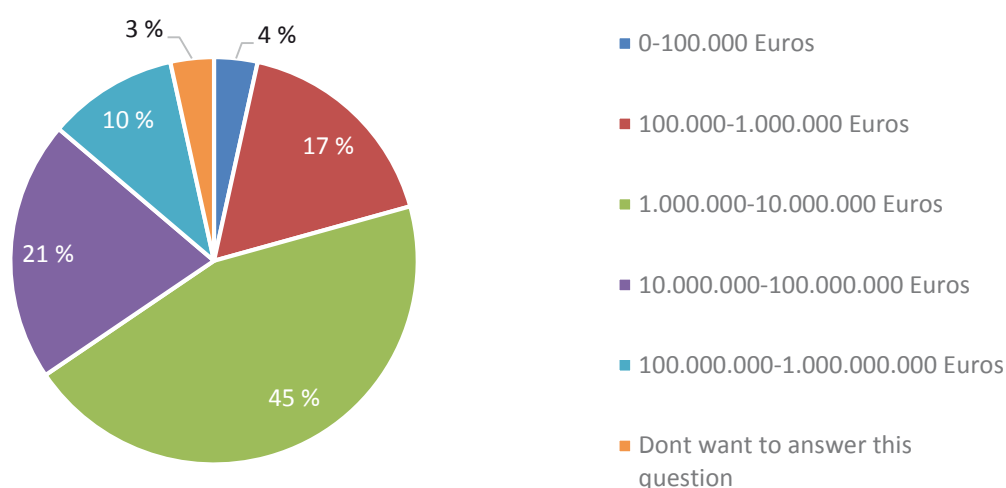


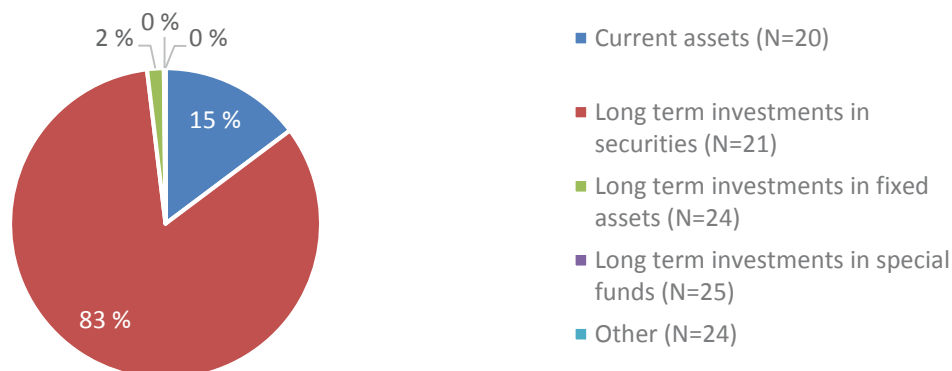
Table 4: Statistics Assets

Number of foundations	30
Mean in Euros	55.132.105
Median in Euros	4.149.918
Total assets in Euros	1.653.963.139

A breakdown of assets among Dutch foundations is shown in Figure 14. Overwhelmingly (with 83 %, the Dutch foundations indicate that their assets mainly consist of long-term investments – securities. It should be noted that this number is calculated according to the percentage of the amount of assets, and therefore is slightly influenced by the answers of the foundations with the highest assets. When leaving the top 3 foundations out, the distribution hardly changes. Securities still represent the main type of asset with 77 %, followed by current assets with 13 %.

Figure 14: Distribution of assets

As a percentage of the total (known) assets



3.3 Expenditure

3.3.1 Total expenditure

The total expenditure of the Dutch foundations adds up to EUR 314 818 671. Roughly, half of the Dutch foundations have a total expenditure ranging from EUR 0 to 1 million. The other half have expenditure ranging from EUR 1 million to more than EUR 100 million. The largest foundation in the Netherlands (a fundraising health foundation) accounts for almost EUR 133 million. The mean amount of expenditure of the Dutch foundations is EUR 8.5 million, whereas the median amount is EUR 1.5 million.

Figure 15: Total expenditure according to category in Euros, 2012

As a percentage of the total number of foundations (N=33)

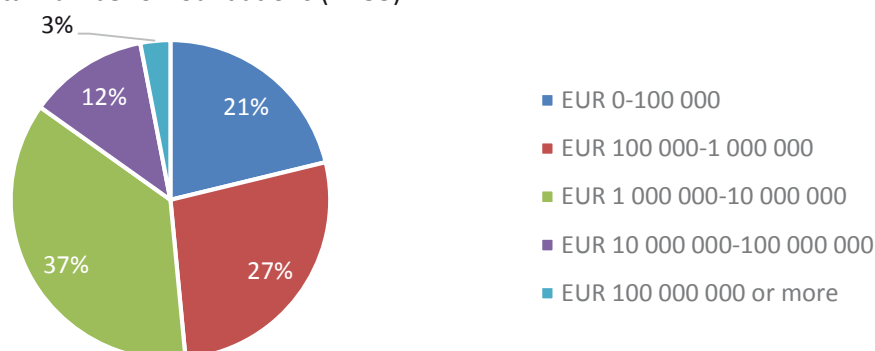


Table 5: Statistics expenditure

Number of foundations	37
Mean in Euros	8 508 613
Median in Euros	1 500 000
Total expenditures in Euros	314 818 671

3.3.2 Research

Expenditure on research and innovation for Dutch foundations is shown in Figure 16. 62 % of the assigned expenditure of Dutch foundations goes to research, amounting to EUR 141 million on research expenses. Expenditure on innovation only makes up 0.5 % with slightly over EUR 1 million. The expenditure on other purposes is EUR 83 million with 37 %. It should be pointed out that the pie chart (see Figure 16) represents the assigned expenditure, as there is a discrepancy between the total expenditure (EUR 314 million) and the assigned expenditure on research, innovation and other purposes due to unanswered questions. The amount of unallocated expenditure is quite substantial, with EUR 89 million.

Figure 16: Distribution of total expenditure; research, innovation and other purposes

As a percentage of the total known expenditure

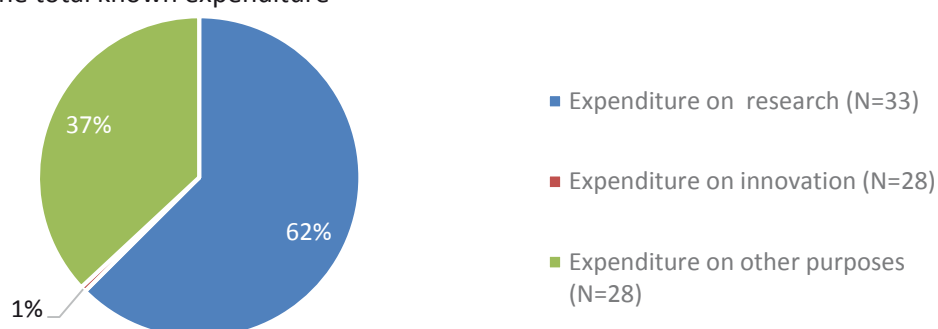


Table 6: Expenditures Distribution

Expenditures to Research	141 317 257
Expenditures to Innovation	1 239 584
Expenditures to other purposes	83 476 110
Unknown	88 785 720
Total expenditures in Euros	314 818 617

The expenditure on research can be divided into expenditure on direct research activities and research-related activities. Dutch foundations apparently have a preference for direct research activities over research-related activities in terms of expenditure. In fact, when leaving out the 'unknown' share, the division between direct research and research-related would be 85 % vs 15 %. Still, it should be noted that the number of observations (N=20) is too small to make any definitive statements, and the fact that the unknown category is fairly substantial indicates that there were a lot of omitted answers here.

Table 7: Distribution of expenditures to research

Direct vs Research Related	Amounts in Euros	Percentage
Direct Research (N=19)	70 240 977	50%
Research Related (N=20)	12 994 004	9%
Unknown	58 082 276	41%
Total expenditures to Research	141 317 257	100%

The same remark can be made about the division of expenditure between basic and applied research. Here, foundations contribute much more to applied research than to basic research. When leaving out the 'not allocated' share, the ratio between applied and basic research would be 78 % vs 22 %. Basic research, understood as research aimed at acquiring new knowledge with no particular application or use intended, should not be considered as 'unpopular' among Dutch foundations, as more than half of the foundations (63 %) reported that they support basic research. However, the average percentage of their research expenditure with which they contribute to fundamental research is quite low. It is clear that applied research, aimed at acquiring new knowledge with a particular intended application or use, is a higher priority for Dutch foundations. 26 out of the 30 foundations indicated that they support applied research. On average, about 54 % of their research expenditure goes to applied research. The uneven distribution of expenditure, as shown in Table 8, is therefore also a reflection of the size of the foundations supporting research and the capital-intensive costs related to applied research.

Figure 17: Distribution of expenditure research; basic vs applied

As a percentage of the total number of foundations (N=30)

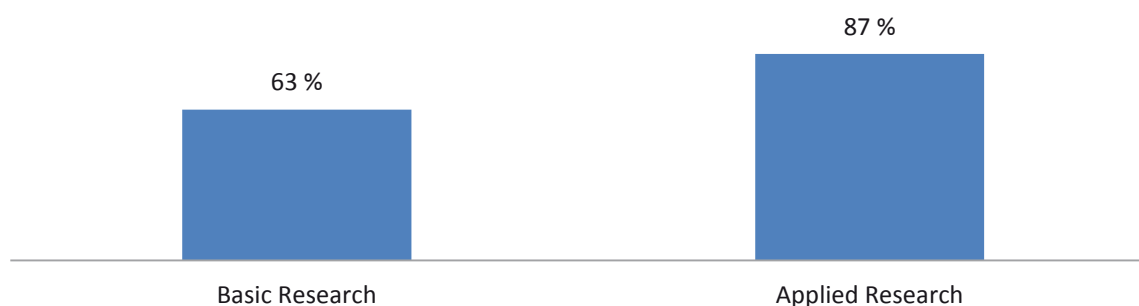


Table 8: Distribution of expenditures on research

Basic vs Applied research	Amounts in Euros	Percentage
Basic research (N=19)	19 723 129	14 %
Applied research (N=19)	66 070 537	47 %
Unknown	55 523 590	39 %
Total expenditure on research	141 317 257	100%

Translational research

In our interview with the Dutch Cancer Society (DCS) – the largest fundraising foundation in the Netherlands – translational research was mentioned as a core priority in the foundation's policy for the years 2011-2014. Translational research can be understood as the link between fundamental/basic research and applied research. Specifically for the development of medicine and healthcare practices, translational research is of great importance to transforming basic scientific discoveries into practical clinical applications (DCS 2014).

Translational research is quite expensive research as it requires a lot of time and effort. Since 2011 the DCS has granted additional funds specifically for translational research in order to stimulate this form of research.

In the definition used in the EUFORI study, applied research also includes translational research, which is an additional explanation for the high amount designated to applied research, as there are a lot of health foundations in the Dutch dataset that contribute to translational research.

As already mentioned in the first paragraph, most Dutch foundations in our sample are grantmaking foundations (77 %). This is also reflected in the form that the expenditure on research takes. 99.5 % of the research expenditure takes the form of grants. Dutch foundations specified only 0.5 % of their research expenditure as their own operating costs. As shown in Figure 5.9 % of the Dutch foundations claimed to be an operating only foundation. However, from their specification of their expenditure it can be seen that they either typified themselves incorrectly, or misunderstood the question, since nearly all these 'operating' foundations replied they distributed grants.

3.3.3 Innovation

Although half of the Dutch foundations claimed to support innovation as well as supporting research, only 9 foundations provided an actual amount. In total, these foundations contribute EUR 1 239 584 to research, but given the high number of omitted answers this number is in fact expected to be much higher. In the interviews some foundations indicated that they had difficulty with the concept of 'innovation', and therefore found it very hard to specify the amounts they contributed. They commented that research and innovation are often interlinked and that the projects they support generally cannot be perceived as exclusively research or innovation projects, but usually contain elements of both.

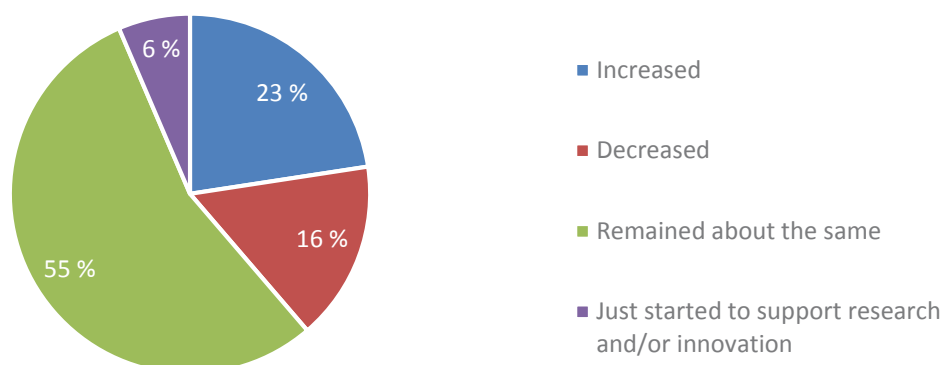
All the foundations supporting innovation answered that their expenditure on innovation takes the form of grants. Eight Dutch foundations provided examples of innovative projects that they supported. Some examples that were mentioned include the development of solar cells; the development of a didactic game; and the development of applications that can be controlled by brainwaves.

3.3.4 Changes in expenditure

Dutch foundations do not seem to be especially pessimistic about the changes in their expenditure. 23 % indicated that their expenditure increased during the previous year. For the majority of foundations (55 %) their expenditure stayed the same. Only 16 % indicated that their expenditure had decreased.

Figure 18: Changes in expenditure on research and innovation compared to previous year

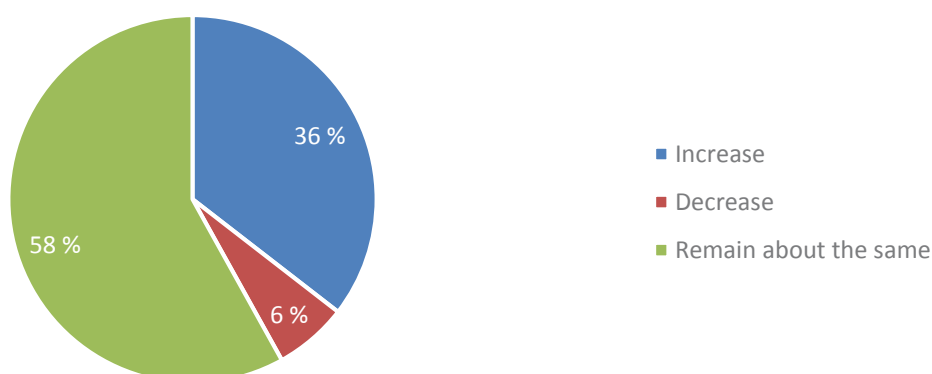
As a percentage of the total number of foundations (N=31)



For the following year, the prognosis is also fairly optimistic. 36 % of Dutch foundations predicted that their expenditure would increase. 58 % estimated that their expenditure would remain the same. Only 6 % of foundations expected that their expenditure would decrease. Given the current economic climate, these are quite optimistic reports.

Figure 19: Changes in expenditure on research and innovation, expectations for the following year

As a percentage of the total number of foundations (N=31)



3.4 Focus of support

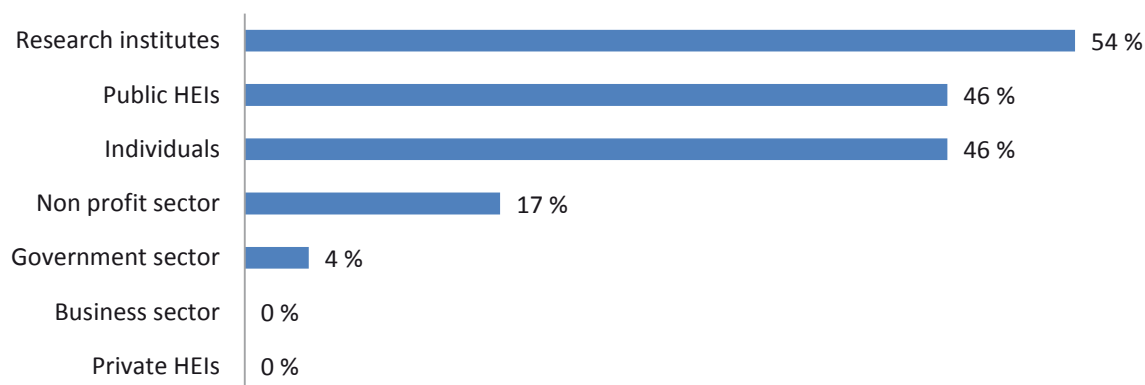
3.4.1 Beneficiaries

The grantmaking foundations were asked about the type of beneficiaries they support. Dutch foundations indicated (N=25) that their beneficiaries most frequently belong to the research institute category, followed by individuals and public higher education institutions. It is predominantly the smaller foundations in terms of expenditure that support individuals. The larger foundations tend to support public higher education institutions and research institutes.

The Uyttenboogaart-Eliassen Foundation is a good example of a small endowed foundation that mainly supports individuals. The purpose of this foundation is to promote entomological science in the Netherlands. They do this by granting subsidies that can be used to visit scientific conferences or to do field research. In the interview with the Uyttenboogaart-Eliassen Foundation, the members of the Board stated that they have a preference for supporting individuals who have made important contributions to entomological science, but are not professionally active in it.

Figure 20: Beneficiaries

As a percentage of the total number of foundations, multiple answers possible
(N=24)



Designated funds

A specific type of foundation is a designated fund. This type of fund allows donors (individuals, companies, foundations) to accommodate an endowment under the aegis of a 'main foundation'. Designated funds are separate funds within foundations that are set up for a specific purpose determined by the donor. The organisational and administrative implementation of the endowment is in the hands of the foundation under which the fund is set up. The advantage for donors is that it is relatively easy to support a very specific cause with a substantial donation without the inconvenience of setting up their own foundation and at the same time benefiting from the knowledge of the main foundation.

Well-known foundations that accommodate designated funds in the Netherlands are the Prince Bernard Foundation for Culture, the Amsterdam University Foundation and the Leiden University Foundation. The amount of the donation necessary to start a designated fund differs from foundation to foundation. The Prince Bernard Foundation for Culture, for example, requests a minimum donation of EUR 50 000.

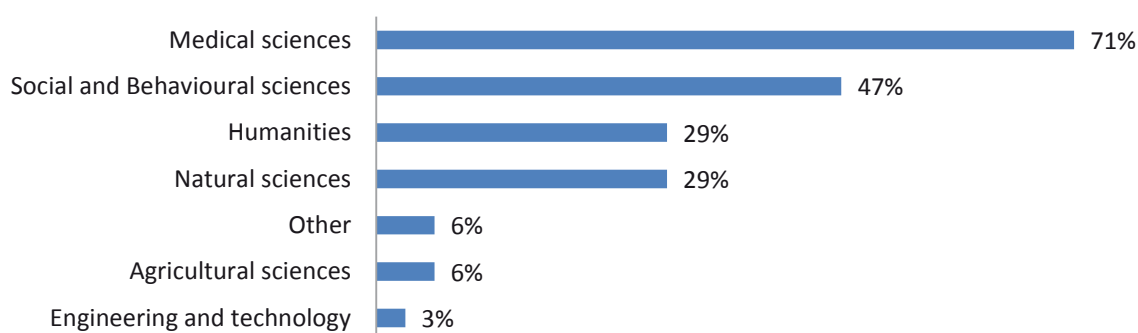
Although the opportunity to set up designated funds is an enrichment for the Dutch foundation sector, they somewhat cloud the estimation of the R&I contributions, as some foundations manage numerous designated funds of which the exact amounts specified for R&I are sometimes unknown.

3.4.2 Research areas

Regarding the financial support according to research areas, 71 % of Dutch foundations report that they support the medical science (see Figure 21). Social and behavioural Science is also popular with 47 %, followed by natural science and the humanities, both with 29 %. Medical science is the most frequently supported field. Given the sample of Dutch foundations this is perhaps not surprising. A substantial number of foundations in the Dutch sample belong to the 'Cooperating Health Foundations', an umbrella organisation for Dutch foundations in the field of healthcare. These foundations are often fundraising foundations raising money to fight diseases by doing research and raising awareness about prevention. These 'health' foundations represent an important group in the Dutch foundation sector supporting research and/or innovation. It is therefore important to realize that even though these foundations are fairly typical in the Dutch foundation landscape, they have a large influence on the results (see the next box for more information).

Figure 21: Thematic Research Fields

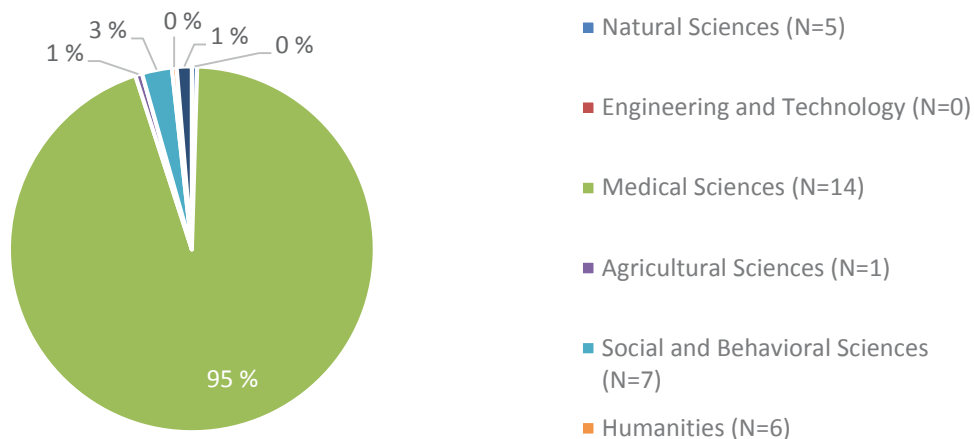
As a percentage of total number of foundations, multiple answers possible
(N=34)



This becomes even more apparent when we look at the support for the different research areas in terms of the percentage of total expenditure (see Figure 22). Here, medical science makes up 95 % of the total expenditure on research. The other research areas are hardly present. Social and behavioural science is supported by 47 % of the Dutch foundations, but only represents 3 % of the total expenditure. The prevalence of medical science is explained first by the large number of health foundations in the sample, and second, the sheer size of these health foundations greatly influences the numbers. In the top 5 foundations in terms of expenditure, 3 health foundations are present. The largest foundation in the Netherlands accounts for almost half of the total expenditure. It should be taken into account that the low number of observations (ranging from N=1 to N=14) makes it difficult to draw any strong conclusions about the distribution of research area expenditure.

Figure 22: Research areas

As a percentage of the total known expenditure on research



Dutch health foundations

The importance of foundations with a specific focus on health has been noted throughout this report a few times already, as their influence on the EUFORI results is fairly substantial. Of the 48 Dutch foundations with an R&I focus in the EUFORI data, 21 foundations have a specific focus on health. For these predominantly fundraising foundations, investing in medical science research is a key issue, as this type of research can facilitate and accelerate developments that help fight diseases and improve patients' lives. As they rely on donations from individuals they are highly visible for the public. Often these foundations strive to contribute a minimum percentage of their total income to research.

The earlier mentioned Collaborating Health Foundations (Samenwerkende Gezondheidsfondsen) is a partnership, established in 2002, between Dutch foundations supporting a specific health goal. At the moment this organisation has 20 members. Through collaborating, the members can adjust their policies as well as pool their expertise and resources. The Collaborative Health Foundations is an important organisation, as it represents and safeguards the interests of the largest health foundations in the Netherlands (Collaborative Health Foundations 2014).

The Rathenau Institute lists the annual contributions to research of the 20 collaborating health foundations. For 2012 the total amount invested in research by these foundations was EUR 159 million (Rathenau 2014). Here it is important to note that there are differences between the 21 foundations in the EUFORI data and the 20 members of the Collaborative Health Foundations.

Not all of its members participated in the EUFORI study or reported their research expenditure. Moreover, not all the health foundations participating in the EUFORI study are members of the Collaborative Health Foundations. It is therefore difficult to compare the research contributions reported by Rathenau to the EUR 141 million reported in the EUFORI study. There are a few observations that should be noted:

1. The majority of the EUR 141 million reported in EUFORI is accounted for by the largest health foundations.
2. The EUFORI data contain 27 non-health foundations whose contributions are not included in the Rathenau estimate.
3. The EUFORI data contain omitted values indicating that the aggregate R&I contribution of the 48 participating foundations is likely to be much higher.

Based on the previous observations it is safe to conclude that the EUR 41 million reported in the EUFORI study (as well as the EUR 159 million reported by Rathenau) is a modest lower bound estimate, and that the amount contributed by foundations to R&I is in reality higher.

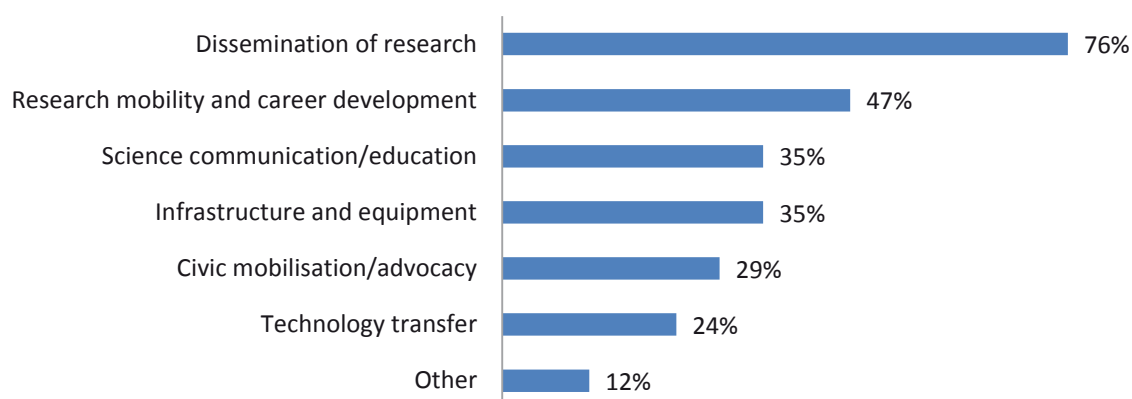
3.4.3 Research-related activities

When it comes to supporting activities that are related to research, one activity stands out. The dissemination of research is the most frequently reported activity supported by Dutch foundations. Three out of four Dutch foundations indicated that they support the dissemination of research (see Figure 23). ‘Research mobility and Career development’ is supported by nearly half of the foundations. The categories ‘infrastructure and development’ and ‘science communication/education’ were reported by one third of Dutch foundations. However, the number of observations (N=17) is too low to make any conclusive statements.

The same is true for the distribution of expenditure over the different research related activities. The number of observations ranges from N=1 to N=5 and is therefore not reliable. Moreover, the distribution is heavily influenced by a single major organisation, thus making it difficult to make representative statements.

Figure 23: Research-related activities

As a percentage of the total number of foundations, multiple answers possible (N=17)



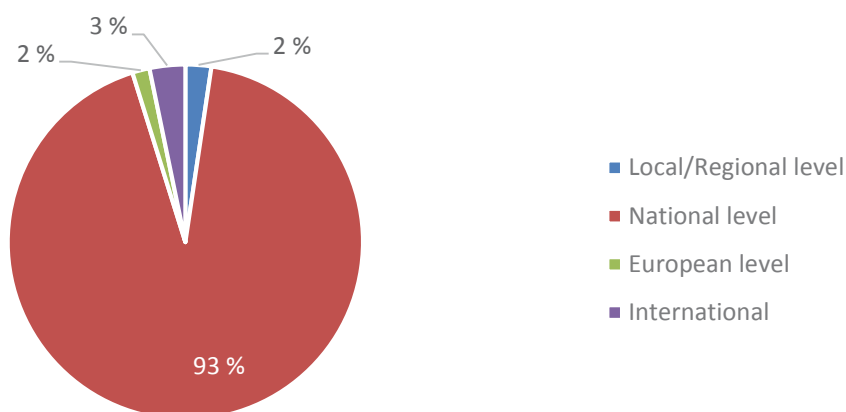
3.5 Geographical dimensions of activities

3.5.1 Geographical focus

Overwhelmingly, Dutch foundations indicate that their focus is mainly on a national level. That is especially true when we look at the geographical focus in terms of the percentage of expenditure (see Figure 24). Although this Figure is influenced by the larger foundations in terms of expenditure, the national level is the most frequent. Moreover, the average share of expenditure designated to the national level (62 %) easily exceeds the reported averages on the other levels (local 22 %; European 10 %; international 7 %).

Figure 24: Geographical focus of support

As a percentage of the total (known) expenditure on research and/or innovation (N=24)



Just 10 foundations reported that they operate on a European or international level. They reported that they have encountered almost no difficulties when operating abroad. All the foundations operating on a European or international level stated that they have encountered no difficulties doing so.

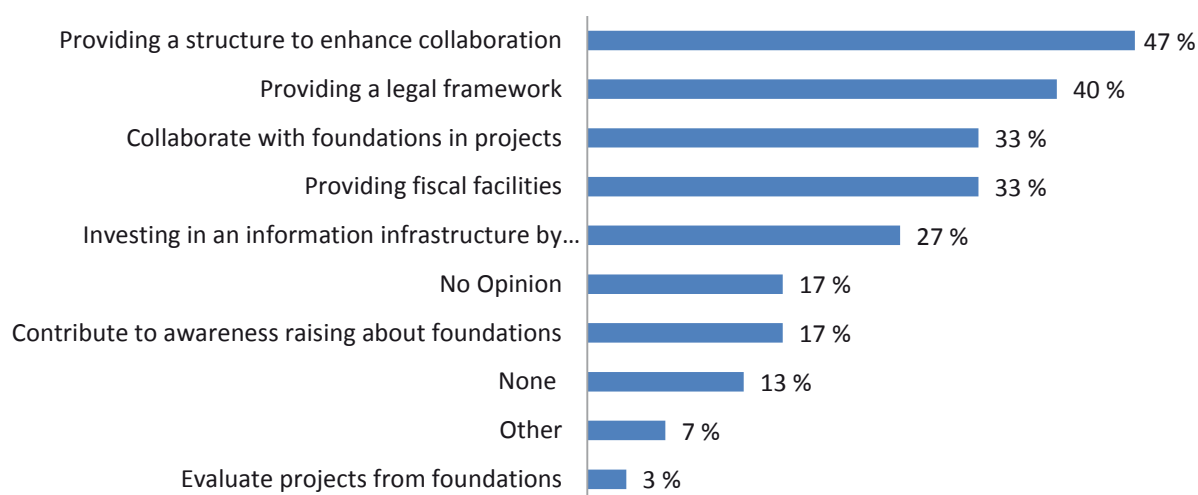
3.5.2 The role of the European Union

The Dutch foundations reported that the provision of a structure to enhance collaboration should be the most important role of the European Union (see Figure 25). Nearly half (47 %) of the Dutch foundations indicated this. Other roles mentioned are the provision of a legal framework (40 %), collaboration with foundations in projects (33 %) and the provision of fiscal facilities (33%).

Figure 25: Role of the European Union

As a percentage of the total number of foundations, multiple answers possible

(N=30)



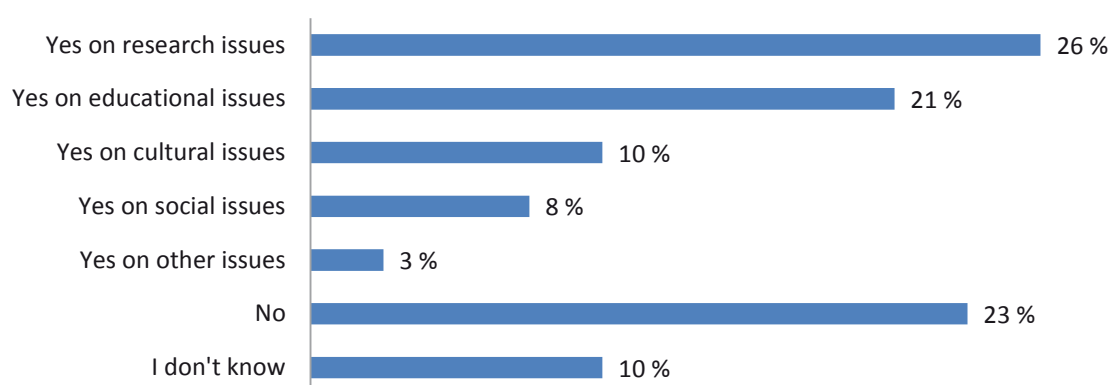
3.5.3 Contribution to European integration

From the interviews held with a subset of Dutch R&I foundations it became apparent that Dutch foundations overall do not have a very strong opinion about the role of the European Union or about their own contribution to European integration. This issue does not seem to be a main priority for foundations. To the question about whether their activities contribute to European integration, nearly a quarter (23 %) of the Dutch foundations answered 'no' (see Figure 26) and 10 % were undecided. The remaining foundations acknowledged that their activities contribute to European integration. These activities mainly concern research issues (26 %) and educational issues (21 %).

Figure 26: Contribution to European integration

As a percentage of the total number of foundations, multiple answers possible

(N=30)



3.6 Foundations' operations and practices

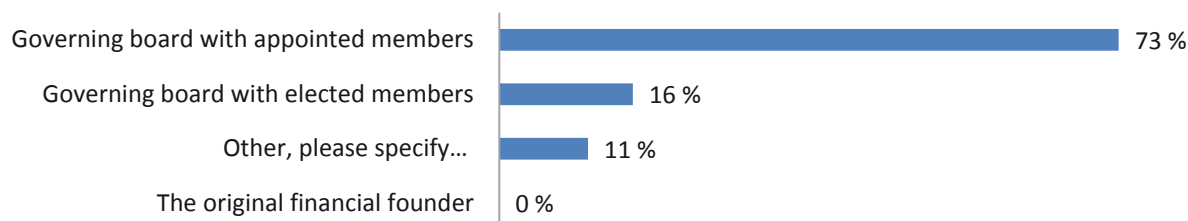
3.6.1 Management of foundations

Nearly three out of four Dutch foundations (73 %) indicated that a governing board with appointed members is in charge of defining the annual strategy of the foundation (see Figure 27). The original financial founder was not once mentioned as being in charge, whereas 16 % of foundations reported that a

Governing Board with elected members was in charge of their strategy. Among the answers in the 'other' category, a Supervisory Board was mentioned twice (5%).

Figure 27: In charge of defining annual strategy

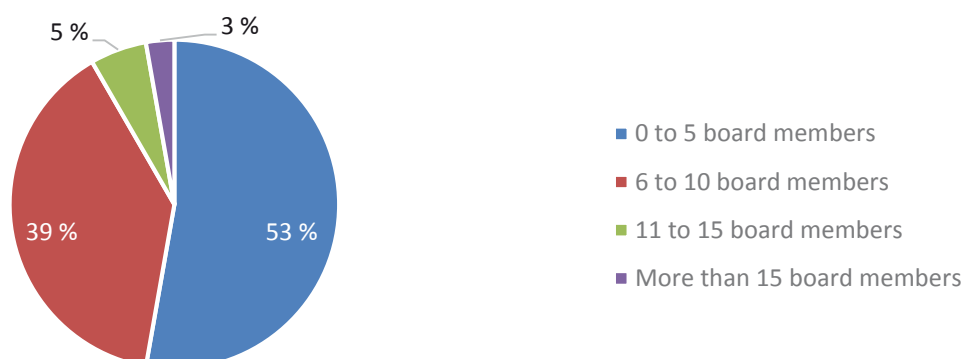
As a percentage of the total number of foundations (N=38)



The number of Governing Board members ranges from 1 to 28. The majority of Dutch foundations (53 %) indicated that their Governing Board ranges from 1 to 5 members (see Figure 28). 39 % reported that the governing board consists of 6-10 members. The other 8 % have 11 members or more on their Governing Board. 14 Dutch foundations from the sample reported the number of Supervisory Board members. Here, the number of board members ranges from 1 to 15 members, with the majority (86 %) of foundations having 1 to 10 members.

Figure 28: Number of governing board members

As a percentage of the total number of foundations (N=36)



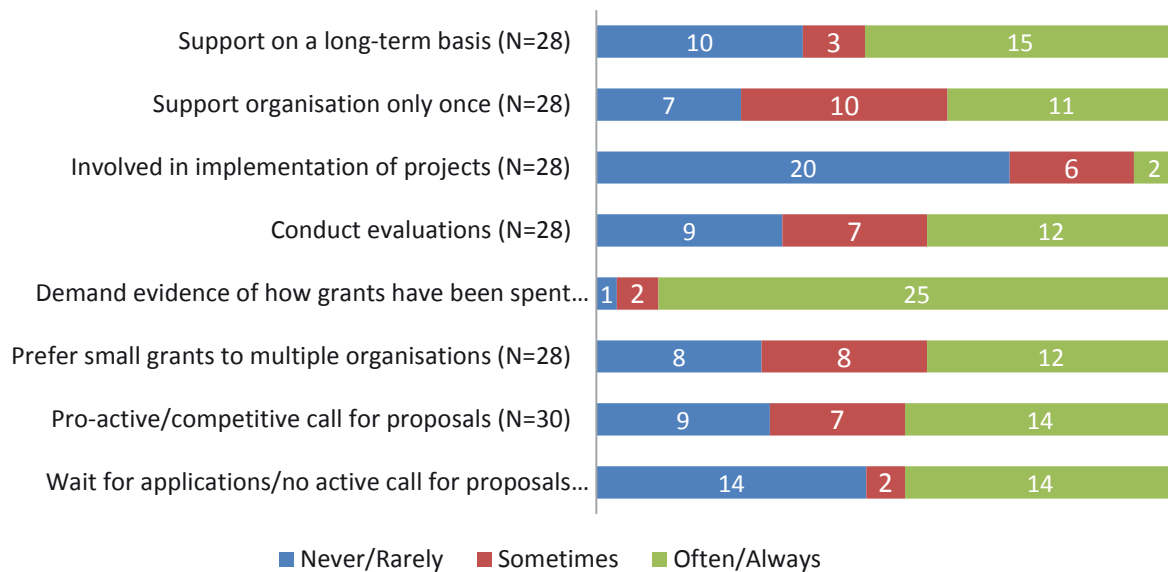
24 out of 39 foundations reported having a professional paid staff. More specifically, the number of paid staff ranges from 1 FTE to 140 FTE for the largest foundation. The mean reported FTE is 22.8.

3.6.2 How do grantmaking foundations support research?

The grantmaking foundations answered whether statements concerning the issuing of grants are a daily practice in their organisation. The results are shown in Figure 29. Overall, the statements are quite evenly distributed, but a few observations stand out. Firstly, 90 % of the grantmaking foundations demand evidence of how grants have been spent. Moreover, 2 out of 3 foundations indicated that they are never or rarely involved in the implementation of projects.

Figure 29: Daily practices of grantmaking foundations

As a percentage of the total number of foundations

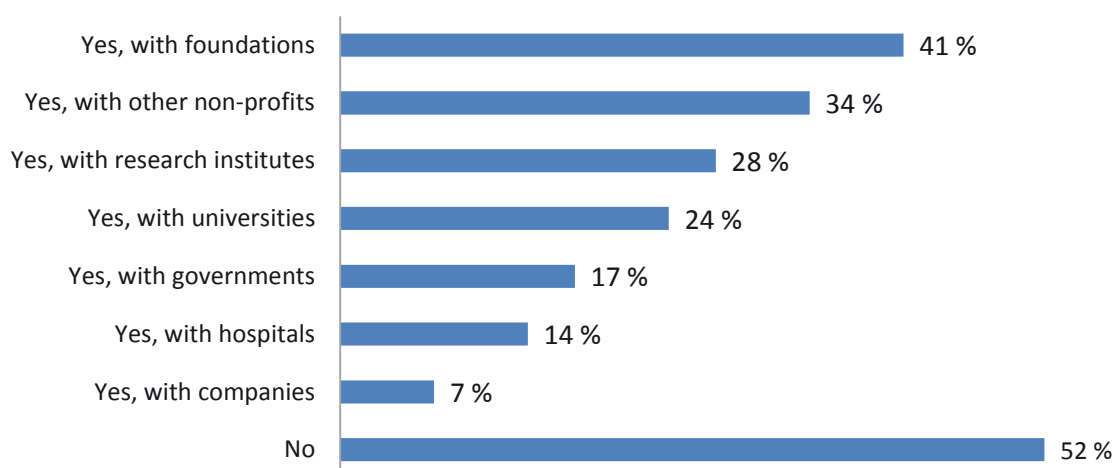


3.6.3 Engagements in partnerships

About half of the Dutch foundations indicated that they engage in partnerships with other institutions in the field of R&I (see Figure 30). The most frequently mentioned partners are other foundations, other non-profits and research institutes. The number of observations is too low to make any conclusive statements. However, the interviews conducted with some of the Dutch foundations suggested that foundations do indeed have a preference to team up with other foundations or with other nonprofit organisations.

Figure 30: Partnerships

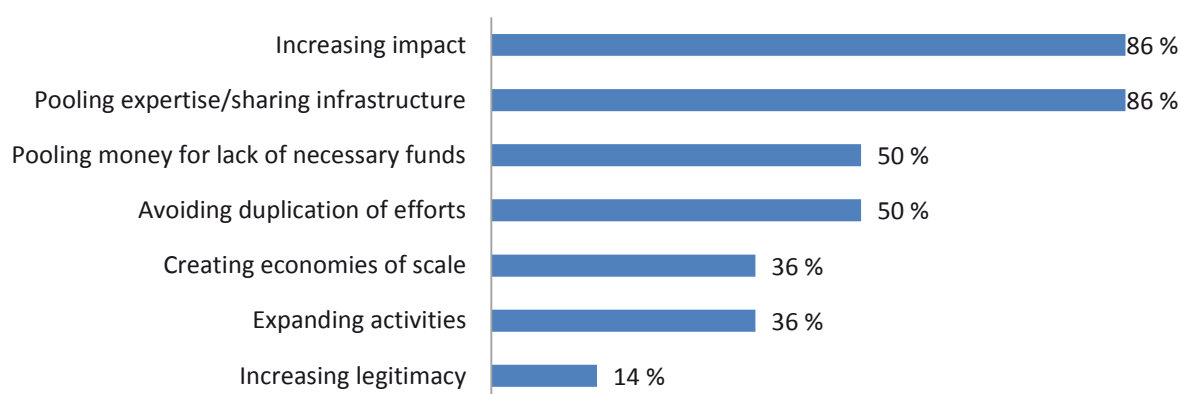
As a percentage of the total number of foundations, multiple answers possible (N=29)



The main reasons for engaging in these partnerships are: to pool expertise (86 %) and to increase their impact (86 %). Again, the number of observations is too low to draw any strong conclusions.

Figure 31: Motivation Partnership

As a percentage of the total number of foundations, multiple answers possible
(N=14)



3.7 Roles and motivations

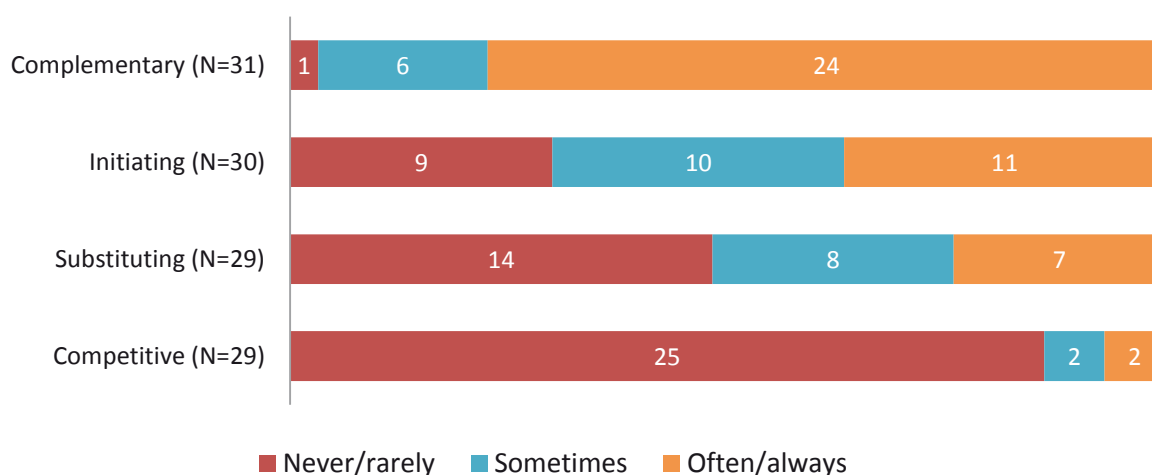
3.7.1 Roles

Dutch foundations describe their own role as one that is complementary (additional to public/other support). They certainly do not perceive themselves as a competitor for other initiatives (see Figure 32). During the interviews with the foundations the preference of the complementary role was also emphasised. Many foundations clearly stated that this does not lie within their capacities, nor is it their place to replace the government as a funder, but that they fill in the gaps by supporting certain causes in society when the government's money does not suffice.

Some foundations regard themselves as a substitute for public support, but the views on the substituting role are fairly divided, as foundations are not necessarily comfortable in the role of a government substitute. University foundations in particular are feeling the pressure of less government support and the corresponding diminishing flow of income. More and more they feel the need to become more professional and to look for alternative sources of funding to continue their support for specific fields/projects. University foundations, however, still play a very modest role in financing the universities' research activities and projects. The main source of the universities' research contributions still comes from the government, and this is not likely to change soon.

Figure 32: Roles of foundations

In Number of foundations



Initiating a project or topic is also a task the foundations perceive for themselves. A good example of a foundation launching this kind of project is the Amsterdam University Foundation, which provided the seed money for the digitalisation of the Iconographica Zoologica. The contribution was not nearly enough to create a digital collection of prints, but functioned as seed money for other partners to step into the project. In the end, the Dutch government provided the money needed to finish the project.

4 Innovative Examples

Foundations in the Netherlands engage in a number of projects that could be considered as innovative. However, during the interviews, multiple respondents indicated that it is very difficult to state that a successful project is the result of the efforts from just the foundation. With regards to larger projects and projects with a broader scope, foundations in the Netherlands are only one participant. As explained in the section about R&I funding (Section 1.4) in the Netherlands, the government and business are by far the most important players in financing innovation. That said, foundations can sometimes play a crucial role in a specific research area. Also, foundations can provide essential seed money to start up a larger project. Or foundations can take the lead in the creation of an innovative network that may have a large impact as a whole. A number of these innovative practices and activities by Dutch foundations are described in this section.

Successful partnerships

The Dutch Cancer Society is a foundation that aims to finance research to reduce cancer. With an annual income of more than EUR 146 million (2012), the Dutch Cancer Society is one of the largest foundations supporting research in the Netherlands. Collaboration with other organisations is of the utmost importance when doing research on cancer. The Dutch Cancer Society partnered with Norwegian and Portuguese organisations in TRANSCAN, a network that is part of the European Research Area on Translational Cancer Research.

TRANSCAN is an European Research Area Network funded by the European Commission under the 7th Framework Programme (FP7). It is a collaborative network of ministries, funding agencies and research councils with programmes in translational cancer research. The network is composed of 25 partners from 19 European and Associated countries. TRANSCAN aims to contribute to the building of the European Research Area through the coordination of the activities of national and regional translational cancer research funding organisations, aiming at the integration of basic, clinical and epidemiological cancer research and the facilitation of transnational cancer funding in Europe, with the ultimate aim of streamlining EU-wide cancer screening, early diagnosis, prognosis, treatment and care (EC, 2014).

Normally, only national governments participate in these programmes. However, as cancer research is not considered a top-priority by the Dutch government, the Dutch public research funding agency ZonMw asked the Dutch Cancer Society if they could join the network instead'
(Interview with the Dutch Cancer Society).

By supporting the call for proposals with a budget of EUR 1 million, the Dutch Cancer Society has enabled Dutch researchers to write proposals for larger calls, which involve much more money. In the first call, seven out of the ten best proposals came from the Netherlands. In this way, the Dutch Cancer Society was able to, by investing EUR 1 million, leverage funds for cancer research. ‘Especially in the European Research Area, you might find that there is the possibility to leverage funding’ (Interview Dutch Cancer Society).

Another example of a successful partnership in which a foundation played a crucial role is the Amsterdam University Foundation. Like most other Dutch university foundations, this is primarily a fundraising foundation that only recently started to raise funds from the general public. They included the digitalisation of the Iconographica Zoologica in their annual fundraising campaign and donated around EUR 25 000 to this project. The Iconographica Zoologica is a collection of animal-related prints dating from the 19th century, and was created by putting together several collections from the Library of Zoological Fellowship Natura Artis Magistra in 1881-1883. The pictures were systematically classified according to animal classification in those days. The Iconographica Zoologica could thus be regarded as state-of-art of zoological science at the end of the 19th century and is one of the largest collections in the world. The size and system of classification both make the Iconographica Zoologica of high scientific and cultural value.

The contribution of the Amsterdam University Foundation was not nearly enough to create a digital collection of prints, but functioned as seed money for other partners to step into the project. Finally, the Dutch government provided the last bit of money needed to finish the project. ‘As a University Foundation, we often give that extra push. By providing a little money but collaborating, we are able to realise larger projects’ (Interview with the University of Amsterdam Foundation).

Innovative projects

The Adessium Foundation provides an example of a project in which a foundation has made use of knowledge from a scientific field and put it into practice in a different context or sector, and has worked towards the translation from scientific research to practical solutions.

‘The Adessium Foundation was founded in 2005 by the Van Vliet family, which has a background in asset management. Stimulating research in different areas is one of their goals, besides a number non-research related goals. In 2010, the Adessium Foundation set up the Erasmus Centre for Strategic Philanthropy (ECSP). ‘Analysis has shown that there was a gap between practitioners in the philanthropy sector and scientific institutions that focus on the philanthropy sector. How the philanthropy sector can make use of scientific knowledge to increase their impact is a central theme.’ (Interview with the Adessium Foundation).

The Centre was founded in 2010 to contribute to the performance and effectiveness of the philanthropic sector. Since 2014, the ECSP has aspired to be a preeminent and independent centre of knowledge and learning for foundations with the mission ‘to support, stimulate and challenge foundations in realising their full potential for societal benefit’. The ECSP fulfills this mission by offering capacity building services in the areas of research, training and education, advisory services, and platform and networking events. The ECSP aims to play a ‘bridging role’ between academics and philanthropy practitioners. It supports and helps shape the learning dialogue between these groups in order to clarify mutual needs and interests, to identify interesting research opportunities, to enrich academic thinking with experience and insights from daily practice, and to convert research into relevant and useful practitioner materials. Through this approach the ECSP embraces the idea of a vital philanthropy learning ecosystem for academics and practitioners in Europe, and therefore increasingly seeks out international academic partners to explore ways to cooperate and to exchange knowledge (ECSP, 2014).

‘Although it is difficult to state that the ECSP had a large impact on the philanthropy sector – there is always the problem of attribution – we can state that it is now a standing institution. And this would probably not be the case if the Adessium Foundation had not taken the initiative’ (Interview Adessium Foundation).

Another project from a foundation that had a large impact on a research sector is the support of an entomological library by the Uyttenboogaart-Eliassen Foundation. The Uyttenbogaart-Eliassen Foundation was founded by Dr. D.L. Uyttenboogaart and his wife E.D. Uyttenboogaart-Eliassen to support the scientific study of entomology in the Netherlands. The Foundation has estimated assets of EUR 4 mln, and a yearly income from endowment of EUR 80 000 (Annual Report of the UE Foundation, 2012).

With a relatively small amount, i.e. EUR 50 000 per year, the Uyttenbogaart-Eliassen Foundation supported the establishment of an entomological library by the Entomological Association.

‘The library of the Dutch Entomological Association is one of the three largest entomological libraries in the world. Since its founding in 1845, the association started to collect literature about entomology. The library contains a complete collection of historical entomological works and a comprehensive collection of recent literature on entomology. Besides being of major importance to science, the library is also to be considered of great importance for its cultural heritage. In recent decades, the library has been hosted by the University of Amsterdam, while the association has remained responsible for acquiring sufficient funds to keep the library financially sustainable (Dutch Entomological Association, 2014). The Uyttenboogaart Eliassen Foundation provided the necessary means to keep the library financially viable. Meanwhile, the Dutch Entomological Association started to publish scientific journals and, nowadays, these journals make

*enough revenue to keep library financially stable
(Interview with the Uyttenboogaart-Eliassen Foundation).*

Projects engaging the public's interest in research

Another project supported by the Uyttenboogaart-Eliassen Foundation was specifically focused on engaging the general public in research on insects. 'A higher public profile for entomological research is one of the goals as a foundation. Therefore, as part of their 75th jubilee, we collaborated with the Dutch Agency for Forests (Staatsbosbeheer) in order to create an insect reserve' (Interview with the Uyttenboogaart-Eliassen Foundation).

Strabrecht Heath has been given the status of insect reserve to stress the importance of insects and to serve as an example for the preservation of other terrains for insects. The foundation financed the restructuring of the insect garden, the creation of a QR-walking route and information panels about the insects in the environment, and how the management focuses on insects. Also, the has foundation guaranteed to maintain this information infrastructure for ten years (Uyttenboogaart-Eliassen Foundation, 2014).

The introduction to the market of new products, methodologies, services and/or technologies.

Most of the interviewed foundation representatives struggled with attribution. They were unsure whether a product or service they introduced would not have been created if they had not taken the initiative. Also, as other players were also involved in the process, they felt the need to stress that the success of a project was not only dependent on their work, but that it benefited from many other players as well. However, health foundations in particular have proven to be successful in the introduction of new products related to their specific field. For example, the Dutch Cancer Society has invested a lot in radiotherapy, making the Netherlands one of the leading countries in this therapy. Also, the Dutch Lung Foundation can be credited as the driving force behind the development of the powder inhaler and has stimulated a lot of other lung disease-related research.

'Regarding treatments we invested a lot in radiotherapy and how we can deal with the side effects of the treatment. For example, by focusing on imaging and treatment, the radiation field is now being managed and adapted according to needs. We connected the radiation device with CT scanning. Because of this, treatment always goes where it should and causes less damage. In the Netherlands, we have now a strong tradition in radio therapy, and our radio therapists are also very active in the European Organisation for Research and Treatment. Until today, the Netherlands has had the highest inclusion of patients in medical studies.'

Innovation in the field of radiotherapy has always taken place in the Netherlands. We focus on treatment, the quality of treatment and how to focus better on therapy. There are only a small number of patients with esophagus cancer. If you want to treat those patients, you have to specialise. Also, with regards to skills, you have to focus them. We have carried out studies to find out whether focusing is better, which does not necessarily mean that you have to carry out a certain number of surgical treatments, but also if a number of skills are available by collaborating with others. We found out that this results in an decrease in morbidity and better recovery afterwards' (Interview with the Dutch Cancer Society).

The development of the powder inhaler can serve as another example. In the past, asthma was thought of as a psychological disease, which was especially present in individuals small in size who mostly had blond hair and blue eyes. If these people were exposed to stress or became nervous, they would develop breathing difficulties. However, physicians found out that there were physical causes for asthma.

When people realised that asthma was a disease, both citizens and physicians wanted to do something about it. The citizens were involved in launching campaigns in order to organise holidays for children with asthma, and physicians wanted to do scientific research.

A national umbrella organisation focusing on asthma was therefore needed. This organisation would collect money to do research into the causes of asthma and to develop better treatment, which led to the founding of the Dutch Asthma Foundation in 1959 (Lung Foundation, 2014). The Lung Foundation had a revenue of EUR 13.7 million in 2013, and spent around EUR 21 million directly on research (Annual Report of the Lung Foundation 2013, 2014).

The powder inhaler is one thing we can say is there because of us. But would it be there without the Lung Foundation? Also, we financially supported a number of studies and methods on asthma and COPD. Some decades ago, the Lung Foundation (then called the Asthma Foundation) was the only, or at least by far the largest organisation financing asthma-related research. Later on, the government and other organisations stepped in, but back then the Asthma Foundation was the only one. The same accounts for COPD. Some years ago, nobody knew what COPD was about. Nowadays, 70 % of the population knows that COPD is a lung disease' (Interview with the Lung Foundation).

'Something else in which are the leaders is the development of uniform healthcare protocols regarding lung disease. The Netherlands is the only country in the world that has uniform protocols for the treatment of COPD. As the Lung Foundation, we developed this protocol together with doctors treating COPD patients and policy-makers in two years. We are absolutely sure that this is beneficial to the treatment of those patients, but would you call it research? We think it is part of our "care" program' (Interview with the Lung Foundation).

5 Conclusions

5.1 Summary

The Netherlands has a strong philanthropic tradition in which foundations play an important role. In the last two centuries there has been a remarkable increase in the number of philanthropic foundations. Moreover, starting from a traditional role (social welfare) foundations have expanded and diversified their focus to include other fields of interest such as research and innovation. However, from existing sources little information is available about the specific development and contribution of foundations supporting research and/or innovation. The EUFORI study is therefore an important addition to the existing data on foundations' contributions.

In the EUFORI study, 100 Dutch foundations with an R&I focus were identified. From the results of 48 foundations we learned that for the majority of Dutch foundations research and innovation is not their exclusive focus. Only a quarter (26 %) of the foundations have an exclusive focus on research, but these foundations are predominantly smaller foundations with a narrow and specific research focus. Among the remaining 74 % there are foundations that support other purposes besides supporting research. For some of these foundations, research plays a modest role and functions as an instrument for other purposes rather than being an end in itself. When it comes to the distribution of research versus innovation we find that research is much more mainstream in terms of support than innovation. Nearly all foundations (98 %) support research, whereas 50 % of foundations make contributions to innovation. Yet, the support for innovation in terms of expenditure is negligible (only 0.9 % of the total R&I expenditure) compared to the support for research (99.1 %).

The common characteristics of Dutch foundations are an emphasis on grantmaking activities (by 77 % of foundations), the maintenance of an endowment (by 83 % of foundations) and their independence from the government (only 10 % reported receiving money from the government).

However, the foundations in the EUFORI data also show an interesting diversity. Different income sources were reported. Besides the maintenance of an endowment, which nearly all foundations have, the donations from individuals and from corporations are mentioned as important sources of income. This results in an even distribution (both with 41.5 %) between mainly endowed foundations and mainly fundraising foundations. The remaining foundations are hybrid foundations. When it comes to the size of foundations in terms of assets, income and expenditure we find that a variety of small, medium, large and very large foundations are represented in the study. The foundations report a total income of EUR 412 million, total assets of EUR 1 654 million and a total expenditure of EUR 315 million. The distribution in the data needs to be taken into account, as we find that these financial statistics are heavily skewed towards a small group of very large foundations.

A significant amount of money is contributed by the 48 Dutch foundations responding to the EUFORI study. In total, these foundations contribute EUR 142.6 million to research and innovation. Given the response rate (50 %) and the omitted values in the data this should be considered as a lower bound estimate. Still, it is expected that the largest share of R&I contributions by foundations has been analysed by EUFORI since the largest contributors were included in the study and most of the expenditure was accounted for by only a few foundations.

Another observation that stands out is the unmistakable and characteristic influence of the Dutch health foundations. The main share of research and innovation expenditure originates from these foundations. As a consequence of the large number and considerable size of health foundations, the amount of money contributed to medical science is 95 % of the total research contributions, and overshadows other research areas. Social and behavioural science, for example, is supported by nearly half of the foundations, but the total contributions to this field amount to only 3 % of the total research expenditure. Dutch foundations prefer direct research over research-related activities. The most popular research-related activity is the dissemination of research (supported by 76 % of foundations). Dutch foundations also have a preference for applied research (including translational research) over fundamental/basic research, which also seems related to the support of medical science.

Dutch foundations are independent from the government, and they predominantly view themselves as being complementary to the State. They are aware that their role is subject to change as the government reconsiders its support and is shifting its position in particular areas. Foundations view it as their duty to fill in the gaps where government support does not suffice, but they also indicate that they are not a substitute for government expenditure.

5.2 Strengths and weaknesses

Strengths

One of the strengths found in the group of foundations participating in EUFORI is the strong support of the medical science. Typically, these foundations are fundraising foundations that are highly visible to the public, and are highly professionalised. The main contributors to research within the EUFORI study are some of the largest health foundations.

Another strength of this specific group of foundations is that they have organised themselves within the 'Collaborating Health Foundations'. Through collaboration the members form a strong collective and contribute to specific projects that transcend their individual goals but which are constructive for their research. For example, projects that are beneficial to multiple health organisations, but which are quite expensive to support, are ideal projects to pool resources for. The participating foundations all benefit from their research and the research costs for each foundation are lower.

Dutch foundations supporting research and innovation are financially stable and solid. On the one hand, fundraising foundations have proven able to attract resources from the general public over a long period of time. On the other hand, endowed foundations have relatively stable revenue. This enables the foundations to operate independently, and lowers the risk of becoming bankrupt or their mission corrupted.

Foundations in the Netherlands operate in a long tradition of a supportive legal and fiscal environment. There are only a few minimal legal requirements in order to set up a foundation, and the bureaucratic burden of running a foundation is low. Also, foundations supporting research and innovation might benefit from a broad range of fiscal measures. This has resulted in a broad spectrum of (small) foundations which might not have existed otherwise.

Weaknesses

A few weaknesses stand out that have strong relationships to each other. Firstly, the landscape of foundations supporting research and innovation is quite fragmented at the moment, with each foundation contributing to its preferred field of interest. Collaboration is taking place within various research areas, but not quite yet between these areas.

The strength and dominance of Dutch health foundations also signifies a weakness in the Dutch foundation sector: the overall narrow focus of foundations. We have found that foundations often stimulate a particular research field such as medical science and do nothing for science on a broader level.

The very specific focus of foundations is also related to the fact that research is used as an instrument for other support areas rather than being a purpose in itself. Foundations therefore do not identify themselves as a 'research' foundation and are not visible as such, which makes it difficult for the public to find them. This lack of research profiling could also be a barrier against potential collaborations between foundations that have mutual goals but are not able to find other like-minded foundations.

The Dutch foundation sector in general consists of many small foundations that make modest contributions to their field of interest. This expression of pluralism shows the diversity of foundations' purposes, but one drawback is that these foundations are often too small to have a professional organisation. These foundations are typically established by means of a small endowment, are administered by volunteers, and usually rely on only a few members of staff. They therefore lack the organisational capacity to engage in partnerships or to increase the impact of their contribution.

Foundations in the Netherlands operate independently from the government and/or commercial enterprises. This might be a result of their vision that they consider themselves as primarily complementary to other actors. However, especially in the field of research and innovation, the government and business account for the majority of investment in R&I. Structural collaboration may increase support for R&I foundations by becoming more aware of society's needs. The example of the Dutch Cancer Society (Chapter 4) may inspire other foundations in this respect.

5.3 Recommendations

A general recommendation is to stimulate a culture that is centered around research. The Netherlands is a country that scores well on innovation, and is characterised as a knowledge-intensive economy. It is therefore remarkable that another strength of Dutch society, a rich and diverse foundation sector, does not play a part in the current policy discussion about the stimulation of research. This is mainly due to a lack of organisation between foundations with regards to the theme of research, and the absence of urgency by the government that a collaborative structure to promote donations to research is of added value.

A research culture needs time to grow and develop, but can be initiated and stimulated by all the players involved in R&I (e.g. foundations, commercial enterprises and the government). Also, beneficiaries such as universities and research institutes could be more involved by actively seeking partnerships with (groups of) foundations to realise projects.

Below follow specific recommendations for foundations and for the national government that could contribute to the enhancement of the aforementioned 'research culture'.

Foundations

To play a more active role in the stimulation of Dutch research foundations need to organise themselves around this theme. Currently, a collaborative structure such as the 'Collaborating Health Foundations', is absent on a broader research level. A 'science-wide' partnership/structure which enables foundations to connect and convene around science could help foundations in the pooling of expertise and resources for a contribution to research. In this way the visibility of R&I foundations would be increased, thereby stimulating a philanthropy-oriented culture among the beneficiaries (e.g. universities, research institutes).

Another option to encourage foundations to carry out research is the establishment of a national science foundation. Currently lacking in the Netherlands is a large foundation with a leading function and a broad focus when it comes to the support of research and science. There are a few outstanding foundations that make considerable contributions, but their focus is either narrowed down to a specific field of science, or so extensive that it includes many other purposes besides supporting R&I. A foundation that champions research and innovation, and that has an exclusive focus on this field, is at the moment not present in the Dutch foundation landscape. This kind of foundation could serve as a guide and example to other foundations, but it could also take on a coordinating role in the support for research by organising conferences and pooling expertise as well as resources. Moreover, small endowed research foundations that are now operating alone could join this science foundation as a designated fund, thereby using the expertise and administration of the main science foundation to increase the impact of its own contribution. To be more concrete, the Prince Bernhard Foundation for Culture might consider repositioning itself as the Prince Bernhard Foundation for Culture and Research.

The government

Since 2005 the national government has invested in the stimulation of private giving for research by means of a taskforce 'Giving for research'. This taskforce recommended a few measures that could stimulate donations to research by commercial enterprises. Granting the positive development that the government recognises the importance of philanthropy, it is strange that there is hardly any dialogue between the government and the foundation sector in the area of research. The Dutch national policy 'to the top' emphasises the absence of this dialogue. Since 2011 the government has invested in R&D by means of a national policy where different 'top sectors' deemed as crucial for the knowledge economy are encouraged to create collaborative structures consisting of public-private partnerships. The policy revolves around collaboration on knowledge and innovation between the government, the business sector, universities and research institutes.

On the one hand, the absence of foundations here is understandable given their limited financial weight. On the other hand, the strength of foundations lies in their expertise in a specific research area, and in the contact they have with both investors/donors and with the receiving research institutes. As a consequence, the foundation sector is, potentially, an ideal mediating structure, with the expertise and contacts to raise interest.

However, as mentioned previously, currently there is no real collaboration between foundations on the support of science in general. If the national government recognises the potential of foundations as a partner in the advancement of Dutch research it could certainly play a role in the initiation of a collaborative structure for foundations. Building on the work of the taskforce and of this study, the government could bring foundations with an interest in research together and encourage them by means of specific tax advantages for the support of research.

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